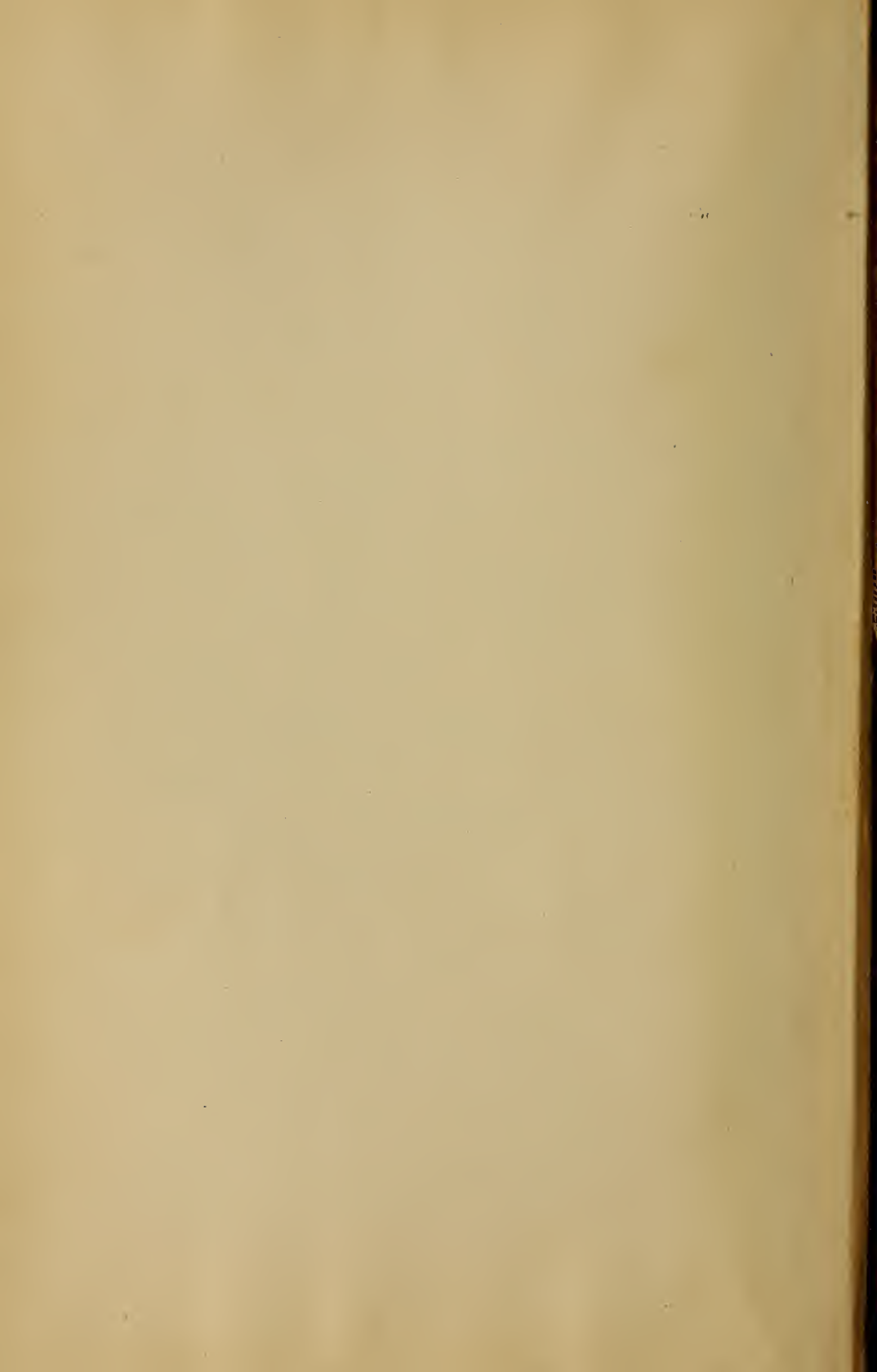




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ANNUAL REPORTS, WAR DEPARTMENT

FISCAL YEAR ENDED JUNE 30, 1910

REPORT OF THE

U.S.

PHILIPPINE COMMISSION

SPECIAL NOTICE.

THE matter contained herein comprises the entire Philippine Commission Report for the year ended June 30, 1910, as printed in the United States.



WASHINGTON
GOVERNMENT PRINTING OFFICE

1911

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ANNUAL REPORTS, WAR DEPARTMENT

FISCAL YEAR ENDED JUNE 30, 1910

REPORT OF THE

U.S.

PHILIPPINE COMMISSION

TO THE SECRETARY OF WAR

1910

(IN ONE PART)



WASHINGTON
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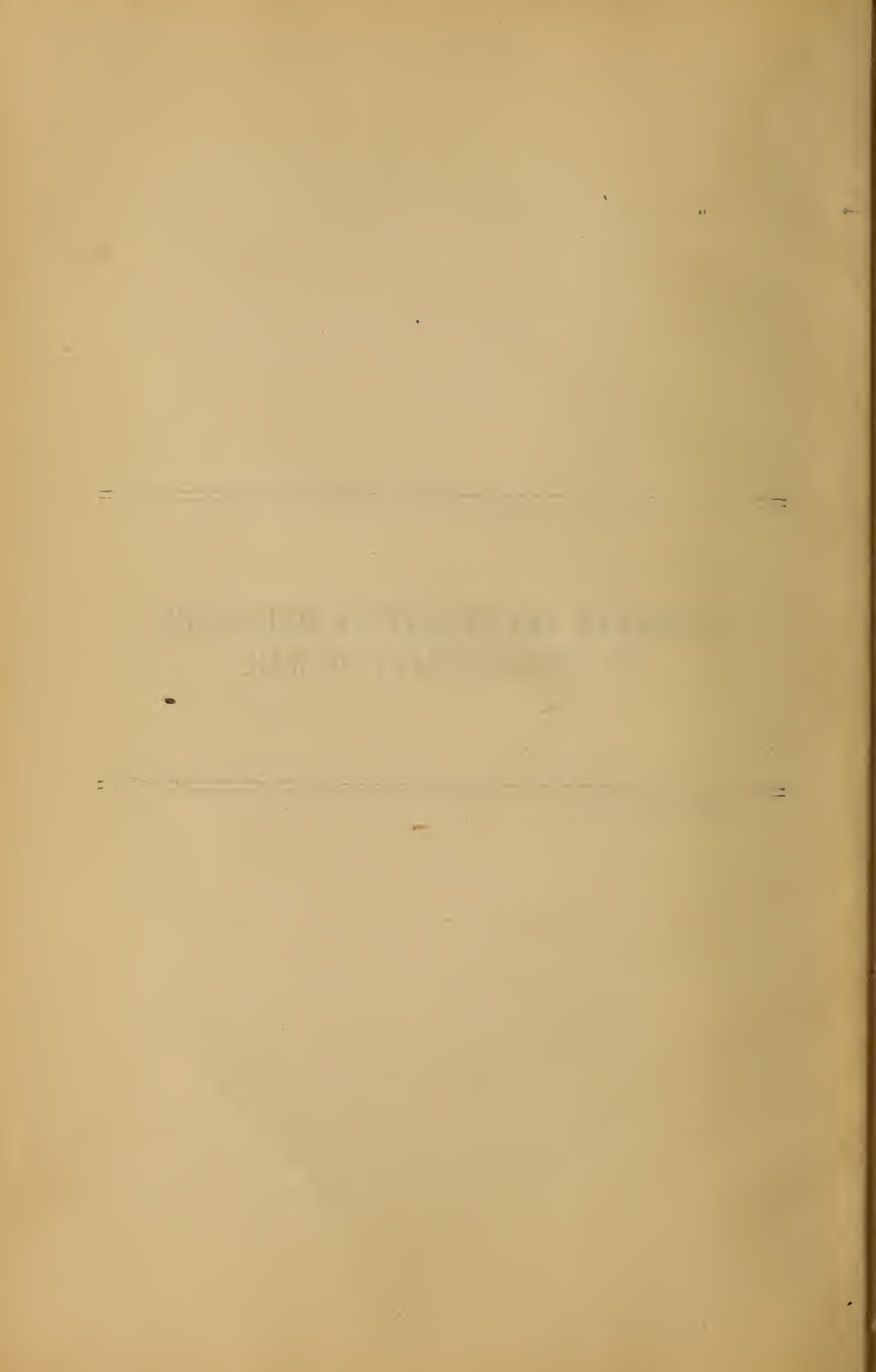
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REPORT OF THE PHILIPPINE COMMISSION
TO THE SECRETARY OF WAR.



ANNUAL REPORT OF THE PHILIPPINE COMMISSION TO THE SECRETARY OF WAR.

MANILA, *November 22, 1910.*

SIR: The Philippine Commission has the honor to submit its eleventh annual report covering the fiscal year ended June 30, 1910.

The Legislature on adjournment had voted, in accordance with the provision of the act of Congress, approved February 27, 1909, to change the date for future sessions to October 16 of each year, the ensuing session to be held on October 16, 1910.

As under the provision of this act, No. 1929, no legislative session was provided for the fiscal year 1910, the Governor-General convened an extraordinary session of the Legislature to be held in Baguio on March 28, to continue for 20 days, and to consider only such matters as were submitted to it by the Governor-General, as provided for by the act of Congress approved July 1, 1902.

There were five subjects submitted in the original call: The organization and election of officers; the annual current expense appropriation for the ensuing year; the annual permanent improvement bill; the irrigation law, defining the rights for the use of water, rendered necessary by the irrigation construction now contemplated or going on; and a law providing for the enlistment of officers and men of the bureau of navigation. This was rendered necessary by the prevalence of strikes in the merchant marine and by the danger that the bureau of navigation, which controls the water police of the Archipelago, should be tied up by a strike at some time when public order demanded the service of the boats.

From time to time additional matters were submitted to the Legislature as follows:

Additional appropriation for the bureau of education for the fiscal year ended June 30, 1910.

The transfer of the bureau of agriculture from the department of the interior to the department of public instruction.

The amendment of the Gabaldon Act, No. 1801, by provisions to expedite the construction of school buildings, and in regard to the use of such buildings after construction.

The appropriation of a sum not to exceed ₱50,000 for purposes of relief in cases of calamity.

The extension of time during which native lumber may be cut by people of the Philippine Islands for their own use without payment of the forestry tax.

The transfer of the education of trained nurses from the bureau of education to the bureau of health.

An amendment to the charter of Manila to give the city power to grant franchises for semipublic purposes.

The appropriation of ₱201,440 for the expenses of the University of the Philippines.

The designation of the tax rate for the city of Manila at $1\frac{1}{2}$ per cent for the ensuing year.

The extension of powers to the provinces and the amendment of the provisional government act:

1. To empower the provincial boards to authorize the municipal councils in cities which are capitals to use wider discretion in regard to the salary rates for municipal officers than the proportions fixed by Act No. 1691.

2. To authorize the provincial boards to extend, for a limited period of time, the payment, without penalty, of the land tax.

3. To authorize the provincial boards to extend the time for payment, without penalty, of the personal cedula tax.

4. To make of more permanent effect resolutions adopted in accordance with Act No. 1652.

A provision for scholarships for school-teachers.

A provision for special classes for the instruction of teachers in Manila.

The amendment of the Postal Savings Bank Law to further increase the opportunity for investment by allowing the loan of money on new structures in the Manila port district.

The filing of railroad mortgages in order to expedite the same.

The improvement of Sibul Springs.

The granting of a franchise for the manufacture of gas and the selling of same in the city of Manila.

The expenditure of funds for the reservation of a park at Dapitan in memory of José Rizal.

An annual government exposition of Philippine products and the appropriation of a sum of money for that purpose.

The deportation of Chinese and power of the executive therefor.

The proper observation of the fiftieth anniversary of the birthday of José Rizal.

The amendment of Act No. 1393, creating the committee charged with the administration of the burnt area of Cebu, to expedite the registration of titles, etc.

The relief of delinquents in the payment of land and cedula taxes.

During the special session of the Legislature 79 proposed laws were introduced in both Houses, of which 6 were Commission bills and 73 Assembly bills. Of the 6 bills introduced in the Commission, 6 were passed by the Commission and sent to the Assembly, and 4 of these were passed by the latter House. Of the 73 bills introduced in the Assembly, 19 were passed by the Assembly and received by the Commission, and 16 of these were concurred in by the Commission, making a total of 20 laws passed by the Legislature during the 20 days of special session.

The only important measures which did not receive the sanction of the Legislature were:

The irrigation law.

An act remitting the penalties for the nonpayment of the land or cedula tax which have accrued prior to the year 1910.

An act to provide for an annual Philippine exposition and expending funds therefor, and for other purposes.

An act authorizing the city of Manila to grant certain franchises for rendering public services.

It will be noticed that of the 4 matters submitted at the time of the call of the Legislature, 3 were enacted into law during the session; and of the 22 afterwards submitted, 17 were enacted into law.

In its capacity as sole legislature of the Moro and other non-Christian provinces, the Commission enacted the following laws:

The annual appropriation bills for sundry expenses of the Moro and special provinces.

Permanent improvement bills for the same.

An act to incorporate the city of Baguio, and for other purposes.

Two acts making certain acts of the First and Second Philippine Legislature applicable to the territory of the Philippine Islands inhabited by Moros and other non-Christian tribes.

An act appropriating money for the reconstruction of a part of the Benguet road damaged in the typhoon of October, 1909.

An act to provide for the granting of an electric-light franchise and power-supply system in the city of Baguio.

An act legalizing, ratifying, and confirming all acts passed by the legislative council of the Moro Province and heretofore approved by the Philippine Commission amending or repealing or inconsistent with any act of the Philippine Commission.

An act providing the time at which all acts of the Philippine Commission shall take effect.

An act authorizing the Governor-General to grant a license for a franchise for an electric-light, power, and water-supply system in the municipality of Zamboanga.

Under and by virtue of special authority granted by the act of Congress of the United States approved August 5, 1909, entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," the Commission enacted the following law:

An act providing for the apportionment and disposition of internal revenue taxes collected in the Philippine Islands on and after August 6, 1909.

INSULAR FINANCES.

A statement of the financial condition of the insular government is contained in the report of the Governor-General accompanying this report.

COMMERCIAL DEVELOPMENT.

We are glad to be able to report that great improvement has been shown in the economic development of the islands in the matters of agriculture, industry, and commerce. The approval, on August 5 of last year, of the act of Congress known as the Payne bill, having the effect of giving free trade between the Philippine Islands and the United States, and of the so-called "Colton bill," which was approved at the same time, and which went into effect on October 6 of last year, changing the Philippine tariff, has already abundantly proved the wisdom of these measures, so long sought and so urgently requested by the administrations both here and in Washington.

It was reasonable to expect that the first result of these measures would be a very sharp reduction in the revenues of the government and that the stimulus to business resulting from the new opportunities would follow somewhat later, so that very sharp economy on the part of the government would be necessary. It was believed that agriculture would show the first encouragement from the enhanced prices to be obtained for its products by reason of the opening of the markets of the United States; that the lack of draft animals and the difficulty attendant upon the rapid development of agriculture, besides the lack of capital existing in the islands, would tend to make the agricultural development a somewhat sluggish one; and that following the agricultural improvement would come an increased purchasing power in the islands which would result in increased importations. It seemed reasonable to expect that two or three years would elapse before the Philippine Islands would begin to show a tangible and marked change for the better. The results, however, from the very first day of the new order of things have exceeded the most sanguine expectations. Instead of a falling off of the receipts from the customs, there has been an actual increase of collections of import duties on those articles imported into the Philippine Islands. The only reduction was from the loss of the customs collected in the United States on Philippine imports, which, under the old law, was paid into the insular treasury, and the result was a net loss of ₱1,429,000. This, however, is very much more than offset by the increase in the internal revenue, so that in place of an estimated loss of some ₱2,000,000 to ₱4,000,000 as a result of the new tariff, the government had an actual gain of ₱1,139,000 in its revenues for the fiscal year.

Anticipating the loss of customs, the Legislature passed Act No. 1940, to be put into effect by proclamation of the Governor-General if in his judgment it seemed necessary. This assessed an internal-revenue tax on all imported tobaccos and liquors, including those imported from the United States, under authority of section 5 of the act of Congress approved August 5, 1909, and this act was put into effect by executive order No. 64 of the Governor-General, dated August 7, 1909.

Act No. 1338, amending the internal-revenue act of 1904, provided that after January 1, 1906, an increased tax on liquor and cigarettes should go into effect. By successive acts, first by the Commission and later by the Legislature, the taking effect of this act has been postponed from year to year till January 1, 1910, when it went into effect.

It is worthy of comment that the increase in internal revenue accruing to the insular treasury of ₱2,320,000 has been received principally from other sources than this increased tax on spirits and tobacco, because this only went into effect on January 1, or after one-half of the fiscal year had elapsed. The factories also increased their production very largely during the last few weeks of the calendar year, and worked night and day in order to pay the lesser tax on as much of their product as possible. For more than two months after January 1 the rate of collections of internal revenue did not increase, owing principally to this cause. Since April, however, the increase has been very marked, and at the time of writing has averaged about ₱200,000 a month, which shows a sharp increase

in the internal revenue of the fiscal year 1911 over that noticeable for the time covered by this report.

The most notable thing about the trade relations seems to be that the imports from Europe and other countries than the United States showed a slight increase, instead of falling off, as was anticipated, while the increase of ₱12,164,594, or 130 per cent, in the value of imports from the United States is most gratifying. This gives us a fair reason to hope that the increased purchasing power of the people, as a result of the stimulus to production and trade arising from the new tariff with the United States and the better prices for our products, will enable the people to purchase enough more foreign goods to greatly increase the imports from the United States without cutting off very greatly the duty-paying imports from foreign countries, thus leaving us with a respectable revenue from customs. This, however, is at best a matter of estimate, and it would be unwise for the government to calculate on the customs receipts continuing at the present rate, even though there has been no falling off so far in the first four months of the present fiscal year.

The establishment of new trade connections is a matter that takes time. People call for what they are accustomed to, and it will be some years before the trade of the country will adjust itself to the new conditions. It is to be anticipated that American products and manufactures will substitute in some measure the ones to which the people are now accustomed by reason of long use, and this will only take place as the people get to know and call for new brands coming in under the new advantageous tariff.

In our last annual report the Commission expressed itself as believing that the value of the reduced tariff to the islands would justify a loss of revenues to the extent of ₱4,000,000 a year for the first few years. The beneficial results which have already accrued, even in the few months of operation, have demonstrated the fact that this belief was a conservative one; and in view of the further fact that we have this benefit without any reduction of revenue, the islands are most heartily to be congratulated.

IMPROVED AGRICULTURAL CONDITIONS.

The first result of the new tariff was a very sharp increase in the prices of rice, copra, sugar, and tobacco, and the exports of the country have increased quite sharply in value, although the quantities exported have shown only a normal increase. The effect, however, has been a very great stimulus to agriculture all through the islands, and more land is now being cultivated than heretofore. The area put into sugar, for instance, has been increased very largely. In some provinces enough seed cane could not be found and the people cut up the growing cane instead of reducing it to sugar, in order to make seed for the next crop. In Occidental Negros the activity has been especially marked and the owners of large tracts of land have increased the acreage of land devoted to sugar to an amount estimated to be 52 per cent of the total area under cultivation. One of the more important owners of sugar haciendas in that province reported that he has purchased 500 carabao during the year, is proposing to double the acreage of sugar cultivation during the coming year, and the following year expects to put up a modern sugar mill. It is said that

most of the owners of sugar estates have paid off all their indebtedness. The customs reports of Iloilo and Cebú show that 5,617 head of draft animals have been imported during the year. Most of these were destined to the provinces of Iloilo and Negros.

The stimulus also has been felt in the tobacco provinces, which are mostly to be found in northern Luzon, particularly in the great Cagayan Valley of the North. The government is bending its attention toward inducing the people to use better methods of cultivating and curing tobacco in order to produce a more even and desirable crop.

IMPORTS AND EXPORTS.

After nearly eight years of rather stagnant trade, there has been a turn for the better. The average amount of total trade has been ₱123,049,558.50 for the years 1902 to 1909, inclusive, beginning with ₱113,148,430 for the first year and ending with ₱117,677,880 for the last; the highest points reached being the year 1903, the year 1904, and the year 1908. This year the trade suddenly jumped to ₱153,897,554, or 25 per cent more than the average for the last eight years, and 16.4 per cent more than the best previous year in the history of American occupation. While the volume of trade in tons did not increase in as great a proportion, owing to the fact that the increased price of sugar and tobacco accounts for a considerable part of the increase of the exports, still the tonnage has shown a healthy increase. With the increased production everywhere noticeable now, following the new tariff relations, it is expected that there will be a considerable increase in the tonnage exported in the near future.

CONDITIONS AS TO PEACE AND ORDER.

The conditions as to peace and order have remained entirely satisfactory throughout the year. Gradually the constabulary are gathering in old offenders who had succeeded in remaining in hiding, and new offenders are caught immediately.

The most notable disturbances during the year have been in the island of Mindanao and in the Sulu archipelago. In the mountains between Misamis and Dapitan a tribe of savages known as Subanos had a sort of revival purporting to be of a religious character, in which several thousand people gathered. The constabulary who went in to preserve order and to make sure that the objects of the meeting were entirely peaceable, were attacked by the Subanos and had to retreat owing to the superior numbers against them. Additional forces were sent in and the Subanos were persuaded to return peaceably to their homes.

During May the Dutch cruiser *Serdang* arrived at the constabulary station at Bongao with a report that some of the Sulu Moros had raided a settlement in the Dutch Celebes. The outlaws were reported to be in hiding in one of the neighboring Sulu islands called Manuc Manca, and the constabulary proceeded in pursuit. A number of Moros enlisted as volunteers, and the island was carefully watched and preparations made to prevent the escape of the culprits, while regular troops were sent from Jolo to make a careful search in the dense undergrowth. Six of the outlaws were soon captured or surrendered, and the leader later killed by the people of the island. The

prompt and successful end of this piratical band no doubt prevented another long series of robberies similar to those committed by Jikiri. The Governor-General of the Netherlands-India has written to the Governor-General of the Philippines expressing his appreciation of the efforts and conduct of the constabulary.

In Luzon, since the close of the fiscal year, the constabulary succeeded in effecting the capture of an outlaw by the name of Felipe Salvador, mentioned in our last annual report as a fanatical agitator, the only one of importance in the large island of Luzon. He maintained an organization known as the "Santa Iglesia," or Holy Church, and had a number of followers, but had recently refrained from overt acts, either of robbery or belligerence against the government. His capture, however, eliminates one focus of unrest, and will encourage the people of the provinces affected—Pampanga, Bulacan, and Nueva Ecija—to engage more regularly in their peaceful vocations.

Since the end of the fiscal year also, and during the presence here of the Secretary of War, occurred an episode which should show conclusively the futility of any effort to cause the people of the Philippines to enter into armed revolt under the present conditions. The governor of Ilocos Norte, a man elected by very few votes over his nearest competitor, 1 of 16 candidates, was a man by the name of Mandac, who had been secretary of the Filipino Archbishop Aglipay, the head of the schism which broke away from the Roman Catholic Church. Mandac was convicted by the court of first instance of having caused the death of a prisoner by personal violence, having knocked the man down and stamped upon him, according to the findings of the court, from the effect of which the prisoner died on the ensuing day. He was summarily dismissed from office by the Governor-General, and condemned by the court to 14 years' imprisonment. While out on bail pending appeal to the supreme court he made himself obnoxious by interfering with the conduct of the acting governor who succeeded him, pending the appointment of a permanent one, by putting himself very much in evidence and by getting up demonstrations in his own favor on the occasion of the visit of the Governor-General to the province. The witnesses who testified against him received anonymous threatening letters, which led to the belief that he was a man who could not be trusted to be loose on bail. The attorney-general was accordingly instructed to ask the supreme court to increase the bail, but before this was done Mandac disappeared, and after an absence of something over a month, appeared in the province of Nueva Vizcaya at the head of a band of unfortunate dupes. He was dressed in the costume of a priest, and informed them that he was the reincarnation of padre Juan Villaverde, a celebrated Spanish priest, who had done a great deal for the benefit of the people of the province in the matter of road building and other public improvements. He raided Solano, a town of about 5,000 inhabitants in that province, where, probably with the collusion of the treasurer, he was given the funds of the town, amounting to about ₱345. But it so happened that Colonel Taylor, district director of constabulary, was in the provincial capital, Bayombong, at the time, and with his usual vigor he collected what few constabulary he could, armed and mustered in a few other trustworthy people in the neighborhood, and advanced upon Mandac and his followers, who fled to

the woods at the first sight of the Filipino soldiery. A Filipino lieutenant with a detachment of constabulary, composed of the savage tribe of Ifugaos, arrived on the scene very promptly and took part in the reestablishment of public order. Within 36 hours Mandac was brought in by the townspeople, who delivered him to the custody of the constabulary. He had made desperate resistance to being captured, but the matter ended there. There was only one person killed, a confederate of Mandac, who was killed in resisting arrest by the Ifugao constabulary. There was no general movement, and no evidence of sympathy with the movement, either from the native press or from the Filipinos in general, no sign of unrest in the Province of Ilocos Norte or the neighboring provinces, and the whole thing may be said to be a very salutary indication of the fact that the people in general are unwilling to undertake anything of this sort at this time.

Relations between the various religious bodies and the state have been entirely harmonious throughout the year.

JUSTICE.

Matters have progressed steadily in the administration of justice, the most important events in connection therewith having been the great number of changes in the judiciary and the appointment of new judges, not less than eight having been appointed during the year.

LAND REGISTRATION.

As presaged in our last annual report, the vacancies in the positions of judges of the court of land registration were filled, the court now being made up of five judges, with the Hon. Charles H. Smith as presiding judge. The others are two Americans and two Filipinos.

There are 2,300,000 parcels of property in the Archipelago. The court of land registration has succeeded, from its inception up to the beginning of the present fiscal year, a period of seven and five-twelfths years, in giving 3,902 titles. It is probable that during that time the number of parcels increased very largely, so that in place of reducing the total number of occupied parcels to which titles were wanting, there are now more than ever. Moreover, it is estimated that a considerable proportion of those now given were based on faulty measurements, so that the government is confronted with the probability of a good deal of trouble in settling the matter of the boundaries of land already registered.

It is, however, fair to say that the friar lands have now all been measured and the titles registered. The division of these lands is a matter of routine in the bureau of lands, and this will account for something like 40,000 parcels, which, including as it does many of the best lands of the islands, marks a distinctive advance in the matter of registration.

The government has devised a plan for facilitating the registration of lands which is at the present writing being tested in the province of Pangasinan. The bureau of lands surveys all the parcels of land claimed in the municipalities, establishing metes and bounds, and bringing a complete plan of all the land of the municipi-

pality to the court of land registration. The government, through the attorney-general, brings suit against the occupants of the land to vacate it, on the ground that they have no registered title, under the provisions of section 61 of Act No. 926 of the Philippine Commission. At the same time it is explained to the occupants that this measure is merely a device to assist them in getting titles to their land, that it is the government's desire to get the titles registered, that they should merely prove their rights under the law, and to assist them in doing this an attorney is detailed by the government to defend their cases free of charge. This will prevent their getting into the hands of unscrupulous attorneys, who will charge exorbitant fees, and gives them a feeling of confidence in the good faith with which the government is undertaking the suit. A judge of the court is in attendance during the process and will hear all of the cases at once and issue a decree at the end of the time, giving titles to all the land and apportioning the expense between the insular government and the municipality, the province, and the property owner. The government offers to the landholders easy payments, so that they may repay their share of the cost, which includes the surveys, in five equal annual installments. This brings the registration within the reach of everybody. The cost is infinitely less when done wholesale, as the surveys cost less, the traveling expenses are much less, the expenses of the judge, the advertising, and the defense are all less than when divided into many parts.

A test is now being made in the town of Asingan, province of Pangasinan, where there are 970 parcels of land which it is proposed to register in the course of one month. If it is demonstrated that additional legislation is necessary, the Legislature will be asked to provide it. If it is found that the existing legislation is sufficient for the purpose, this policy will be extended as rapidly as possible to other localities, and it is proposed to begin by getting all land under all proposed irrigation systems registered before the irrigation works are completed and the water turned on. This will greatly assist the government in the collection of payments for water used and the settlement of disputes in regard to the rights to water.

If this matter turns out as it is hoped it will, it is believed that as soon as the finances justify it the number of judges in the court of land registration should be at least doubled, so that the work may progress with still greater rapidity.

GENERAL HOSPITAL.

The new general hospital has been brought so far toward completion that the first patients were received in September. The new medical school has also been completed and is now occupied.

TUBERCULOSIS.

On July 29, 1910, certain private parties, under the able leadership of Mrs. Martin Egan, organized an Anti-Tuberculosis Society, which has established an antituberculosis hospital outside of Manila and is endeavoring to extend its influence throughout the provinces. This movement meets with the hearty support and assistance of the government and the officers of the bureau of health.

MEDICAL CONFERENCE.

During March, 1910, there was held in Manila a meeting of the Far Eastern Association of Tropical Medicine, at which some very important papers were read. Some of these proved that there is a relation between the dreaded disease of beriberi and the use of polished or hulled rice, the absence of a certain amount of phosphorus in the rice accounting for the presence of this disease in those with whom rice is the principal article of consumption. The government has ordered the use of the unpolished rice in all of its institutions, with the result that there has been a very noticeable decrease in this disease, particularly among the lepers in Culion.

LEPERS.

The total number of lepers at the colony at the end of the fiscal year was 1,681, and those estimated to be in confinement elsewhere in the islands or not yet gathered were 591 in number. The Moro Province is the only province which has not yet been practically cleared of lepers.

IWAHIG PENAL COLONY.

The success noted in our last annual report of the penal colony has continued, the number of colonists at the close of the fiscal year being 973. Order continues to be good. The colony is beginning to get more experience and something of tradition behind it. It is attracting attention as something new in penology. Arrangements are now being made for an Iwahig settlement bank and the Iwahig settlement currency, and progress has been made toward making the institution self-supporting. It is proposed to increase very largely the number of cattle and other marketable products of the colony. The plan is to plant 200,000 coconut trees. It is expected that the institution will ultimately be made to pay not only its own expenses, but something of the cost of the operation of the prison in Manila.

FRIAR LANDS.

In our last report the hope was held out that the friar lands were reaching a condition where they would cease to be a source of economic anxiety to the government. The advance toward this condition has been continuous throughout the year. The collections this last year have increased 38 per cent, and it is estimated that receipts for the ensuing year will be ₱900,000, or a further increase of 22 per cent. Collections for this fund have been made as follows:

Fiscal year.	Collections.
1906.....	₱98,661.30
1907.....	226,627.63
1908.....	280,915.74
1909.....	534,122.55
1910.....	735,652.69

The following table will show the progress in surveys, in leases, and in sales:

	Fiscal year.				
	1906	1907	1908	1909	1910
Number of estates surveyed.....	3	9	23	23	23
Number of estates placed upon the market.....	None.	3	5	12	16
Number of leases signed.....	18,685	22,229	20,652	20,983	21,271
Number of sales made.....	None.	None.	446	5,785	14,990
Value of land offered for sale.....	None.	P201,641.92	P374,862.24	P3,813,504.01	P7,314,345.19
Estimated percentage of area of all friar lands held by the government unoccupied.....	83.2	77.4	73.3	64.9	29.3
Estimated percentage of area of all friar lands held by the government leased.....	16.8	22.6	27.4	29.8	38.7
Value of land sold.....	None.	None.	P66,827.53	P1,517,339.57	P4,970,009.38

Some of the unoccupied estates have been sold or options given in large blocks to individuals in amounts in excess of the amount authorized by law for the disposition of the public domain, in accordance with an opinion of the Attorney General of the United States, which holds that these lands can not be held to be public domain. They are lands held in trust for the redemption of the bonds issued against them, and the government can not use them as it does other parts of the public domain; they are not open to settlement for homestead purposes; nor can the government grant the railroad right of way over them without exacting payment. As the Philippine treasury is liable for the principal and interest of these bonds, it is desirable that the earliest possible sale be made of all the tracts of land held by the government under the agreement to purchase the so-called "friar estates." As there are 43,000,000 acres of vacant land in the islands, there is not the slightest danger either that too large a proportion of the public lands will pass into the hands of single owners or that Filipinos will be prevented thereby from getting the rights which accrue under the homestead act. As a matter of fact, in spite of the vast acreage of vacant lands to-day available in the islands, there have been but 3,785 cases in which Filipinos have availed themselves of the privilege of homesteading.

LOCUSTS.

The government has made only a beginning in the matter of an organized defense against the inroads of locusts. In the province of Iloilo, where the organization has been most efficient, the results have been extremely gratifying. The very able and efficient governor of the province, Ruperto Montinola, has purchased several thousand iron sheets used for catching "loctones," as the young locusts are called before they have reached the stage when they can fly, which he keeps stored in convenient localities. Any local official who fails to give notice of the presence of locusts or who fails to exert his whole energy toward arousing the people to destroy them when they first make their appearance is promptly suspended from office for neglect of official duty. The constabulary has been called upon to help and has rendered efficient assistance, with the result that, by reason of

these efficient and enlightened measures on the part of the provincial governor, the crops of the province of Iloilo were saved this year from threatened destruction. The results of Governor Montinola's work have been communicated to all of the other provincial governors, and it is proposed to extend his methods to all of the provinces, holding all local officials strictly to account in the matter of their efficient application.

EDUCATION.

The work of the bureau of education is constantly increasing in importance. The number of children enrolled in the public schools is given as 427,165, while the average monthly attendance during the last school year was 337,307, an increase of 15,892 over that preceding. At the end of the year there were 36 high, 169 intermediate, and 4,295 primary schools, 26 of arts and trades, 3 of agriculture, 1 normal, and 1 commercial; there being employed in this work 9,007 teachers.

Progress has also been made in the line of higher education. The new university has opened colleges of agriculture, medicine and surgery, veterinary science, liberal arts, and civil engineering, and a school of fine arts.

VISIT OF THE SECRETARY OF WAR.

The government was fortunate in having as its guest the Hon. Jacob M. Dickinson, Secretary of War, accompanied by Gen. Clarence R. Edwards, Chief of the Bureau of Insular Affairs, who arrived in the islands on July 24 and stayed until the evening of September 2.

Mr. Dickinson made a very remarkable journey to Bontoc, covering the 79 miles from Tagudin to Bontoc on horseback and in sedan chair in two days, and, after but one day in the capital of the Mountain Province, returned in the same way in the same time, a remarkable exhibition of endurance.

At Bontoc the lieutenant-governors from the neighboring sub-provinces arrived to meet the Secretary and brought with them numbers of representative people of the tribes they govern. Thus there were gathered in Bontoc a large number of Kalingas, Ifugaos, and Igorots, with a few Tinguians. Many of these people had never before left the limits of their own subprovince and there had never been, in the history of the islands, such a gathering of savage peoples of different tribes in one place as was witnessed in Bontoc on the occasion of the visit of the Secretary of War.

The fact that the Secretary made this journey into a country which a few years ago was not safe to penetrate and did so without the necessity for any guard indicates the success which has been attained by the administration of the Mountain Province in the matter of civilizing its peoples.

After allotting a fair proportion of his time to the people of Manila, the Secretary visited the provinces of Tayabas, Albay, Samar, Cebu, Iloilo, and Capiz, and drove the last spike in the new railroad connecting the towns of Iloilo and Capiz, which was thrown open for the first time on the occasion of his visit. This marks a great advance in the history of the transportation development of the Philippine Islands.

The Secretary visited also the Moro Province, crossing Mindanao from Camp Overton to Malabang and visiting the towns of Cotabato, Zamboanga, the capital of the Moro Province, and the island of Jolo, and the town of Puerto Princesa, in the province of Palawan, where the penal colony was inspected.

No man has ever seen so much of the Philippine Islands or such a variety of localities and peoples in so short a time as did Secretary Dickinson in the course of his visit. In fact, until his arrival it would have been impossible for any party to have covered the same ground in the time taken, owing to the fact that some of the transportation facilities were only completed in time for his visit. The greetings of the Filipino people to the Secretary were marked by the utmost cordiality and good feeling. Although many orators did not fail to mention the aspirations of the Filipino people for independence, their language was marked with moderation and courtesy toward their distinguished visitor and respect for the national sovereignty.

CONSTABULARY.

The constabulary has continued its extremely efficient work in connection with the administration of the islands, but is sadly overworked and hampered by lack of force and funds in the proper performance of its duties.

It has been suggested that a great economy could be effected by a combination of the constabulary and the scouts into an insular organization, the combined body being such as to be more useful than are the scouts in time of peace, and which could form the nucleus of an insular army which could be called upon in time of war. The use now made of the scouts, except in the Moro Province, is reduced to a minimum under the present method of consolidating them into battalion posts, which minimizes their value to the civil authorities. The value of the scouts from a civil point of view varies directly with the number of posts in which they are stationed and the number of times that the different companies are moved about. The personal equation is of the greatest importance in the maintenance of peace in a section. A scout officer who gets the confidence and the good will of the natives of a locality becomes a positive force in the community.

If any consolidation is to be effected, one essential feature should be that the direction and the control of the officers should lie in time of peace wholly with the civil authorities; otherwise the constabulary, which is now the right hand of the Governor-General, would be removed from his executive control and the matter of the maintenance of public order, the suppression of crime, and the enforcement of the quarantine regulations and those provisions of law which provide for such matters as the fighting of locusts and the apprehension of cattle thieves, etc., would be difficult and the administration seriously crippled.

The Commission will heartily approve a plan by which the scouts and constabulary should be organized into one insular organization which might be somewhat less in numbers than the combined force of the two organizations, such service to have a semimilitary character, with the idea of getting the greatest efficiency in the performance of

the special duties devolving upon such a force in time of peace and yet allow all members of the organization to be placed from time to time in stations where their forces would be congregated in sufficient numbers to enable them to have a course of discipline and drill.

Such a force should be useful in time of war. The officers would know to perfection certain localities, with all the trails and peculiarities of the topography; and with a good knowledge of the local dialects and a personal acquaintance with the traits, characteristics, and trustworthiness of prominent natives, they would be able in time of invasion or insurrection to be the link between the people and the officers of the Army, and this force should prove to be the nucleus of a small insular army which would be a distinct asset.

The funds for this force should be available also for the formation and assistance of a reserve militia in case it were desired to use it, to which men who enlisted could very properly belong after the service of their enlistment, and which also could provide for the military instruction of the people, if wanted.

RECOMMENDATIONS.

In their last annual report the Commission made 10 recommendations, one of which was acted on by Congress. This was the request of the Commission that a law be passed changing the terms for which Delegates to the Assembly hold office to two years succeeding October 1 instead of two years succeeding January 1, as was then provided. This was met by an act of Congress changing the term for which Delegates were elected to four years beginning with March 4. It is believed that this measure enacted by Congress was eminently wise; that the frequent elections resulted in political agitations and disturbances productive of no good result; and that too many changes in the legislative bodies were not desirable. The Governor-General, in his last annual message to the Legislature, has recommended that the terms of municipal and provincial officials be also changed to four years.

By reason of the amendment of section 66 of the act of Congress approved July 1, 1902, the municipalities are only authorized to borrow money for the purposes of waterworks, sewer works, and school buildings. Under the provisions of this act a separate act of the Legislature is necessary to authorize each municipality to borrow. There are 707 municipalities in the islands, and the Legislature is only in session for three months of each year. The purpose for which money is usually asked is to assist in the construction of public markets, which are found to so increase the revenues of the municipalities as to repay the loans in from 3 to 10 years. It is believed to be highly desirable that the municipalities should be able to borrow of the postal savings bank money for these purposes. It is recommended that section 66 of the act of Congress approved July 1, 1902, as amended by section 3 of the act of Congress approved February 6, 1905, be further amended to read as follows:

Section 66. That for the purpose of providing funds to construct sewers, drainage, electric-light plants, public markets, waterworks, and public-school buildings, the government of the Philippine Islands is authorized by appropriate legislative action to empower municipalities, when current taxation is inadequate for the purpose, and under such limitations, terms, and conditions as it may prescribe, to incur indebtedness, borrow money, and, to secure the

repayment thereof, issue promissory notes secured by mortgage upon public works to be constructed with the money borrowed, and issue and sell registered or coupon bonds in such amount, and payable at such times as may be prescribed.

Provided, That no notes or bonds shall be issued and sold at less than par value in gold coin of the United States; that the interest thereon shall not exceed five per centum per annum, and that the entire indebtedness of any municipality shall not at any time exceed five per centum of the assessed valuation of the real estate in such municipality. Any obligation in excess of such limit shall be null and void.

The Commission desires to make the following recommendations:

First. That authority be granted for the sale by the government of the Philippine Islands of \$15,000,000 of public-works bonds on the same terms as the preceding ones.

The entire bonded indebtedness of the Philippine Islands is \$12,000,000, which distributed among a population estimated to be 8,000,000 gives a per capita debt of \$1.50 and a per capita interest payment of 6 cents.

It should be especially noted that \$7,000,000 of the \$12,000,000 bonds of the Philippines were issued to pay for the friar lands, 70 per cent of which are already sold. The proceeds of the sales will provide for the payment of the bonds at maturity, so that they will not be a charge on the resources of the islands.

No mention is made of the railroad companies' bonds, on which the government has guaranteed interest, as the government has not guaranteed the principal.

That this is a disproportionately small debt, which could be conservatively increased to several times its present size, may be seen from the following comparison with other countries:

Countries.	Per capita debt.	Per capita interest.
New Zealand.....	\$367.77	\$11.30
Uruguay.....	129.03	7.63
Argentina.....	89.46	4.85
Chile.....	51.34	2.04
Egypt.....	41.10	1.59
Brazil.....	31.29	1.54
Japan.....	26.15	1.55
Cuba.....	23.57	.74
Santo Domingo.....	22.11	1.97
Mexico.....	14.66	.87
United States.....	11.42	.24
Ceylon.....	6.54	.34
Philippine Islands.....	1.50	.06

Several of the countries above cited are no better equipped to withstand the burden of a public debt if the rate of wages paid to unskilled labor may be taken as a fair measure of earning capacity of the people, as the prevailing rate of wages in several of these countries, notably Egypt and Japan, is no higher than here.

It is believed that there should be expended from \$1,500,000 to \$2,500,000 each year out of the proceeds from the sale of bonds of the government. The additional money asked for last year would have provided the government with funds for two or three years under some such limitation. The Commission, however, feels that the works outlined in the last annual report, namely, the improvement of roads, bridges, and ports, the construction of public buildings, irri-

gation works, and artesian wells are of sufficient importance to justify the request for authority to sell bonds for a reasonable amount each year for a considerable number of years. We now request that authority be given to us to sell \$15,000,000 worth of bonds, with the limitation that not more than \$2,500,000 thereof shall be sold in any one year. This will provide the government with funds, at the highest rate of expenditure, if the limit suggested is adopted, for the ensuing six years, and will not make it necessary for the Legislature to keep going to Congress and requesting further authority. It is understood that this request is merely for an authorization to the Philippine Legislature, and that no bonds could be sold or investment of funds ordered except as provided by act of the Legislature here.

Second. That Congress by appropriate legislation authorize the consolidation of the Philippine Scouts and Constabulary into a single homogeneous native force under control of the insular government, toward the maintenance of which the United States would pay a portion of the money now expended for maintenance of the scout organization.

The Commission also wishes to repeat the following further recommendations made last year, the arguments for which may be found in the last annual report of the Commission:

Third. That if Congress is willing to assist, so as to expedite the accomplishment of our ends in the Philippine Islands, an annual appropriation of \$2,000,000 be given, to be added to the present insular appropriation for education.

Fourth. That the law in regard to mining be amended in order to admit the filing of more than one mining claim upon a lode by the same individual or corporation to facilitate their taking up claims for placer mines or mines under the water, and to extend the time for development of coal claims to three years.

Fifth. That the amount of land which may be acquired, owned, and used for agricultural purposes in the Philippine Islands by any corporation be extended to 6,000 hectares.

Sixth. That the amount of land allowed to be taken up by any one person under the homestead law be increased from 16 to 50 hectares; that the amount that individuals may purchase from the government be increased to 500 hectares; and that the amount allowed to be sold or conveyed to corporations or associations of persons be increased from 1,024 hectares to 6,000 hectares.

Seventh. That provision be made for the government to give free titles under proper restrictions to people who have been in undisputed occupation of land for five years previous to the year 1912.

Eighth. That section 66 of the act of Congress of July 1, 1902, as amended, be further amended so as to increase the kinds of public works which may be undertaken by municipalities, and to authorize the Philippine government by general legislation to empower municipalities to incur indebtedness for such purposes.

Ninth. That section 7, congressional act, July 1, 1902, be amended to provide that qualifications of electors in election of Assembly Delegates shall be the same as those now or hereafter required for municipal electors by Philippine laws, and that no person shall be eligible to election as Assembly Delegate unless he has the qualifications prescribed by law for municipal officers, is resident of his elec-

tion district, owes allegiance to the United States, and is 25 years of age.

Tenth. That Congress provide a means by which naturalization may be accomplished in the Philippine Islands, either by passing a naturalization law itself or authorizing the Philippine Legislature to deal with the matter.

Respectfully submitted.

W. CAMERON FORBES, *President.*

NEWTON W. GILBERT,

DEAN C. WORCESTER,

By W. CAMERON FORBES.

GREGORIO ARANETA,

RAFAEL PALMA,

JUAN SUMULONG,

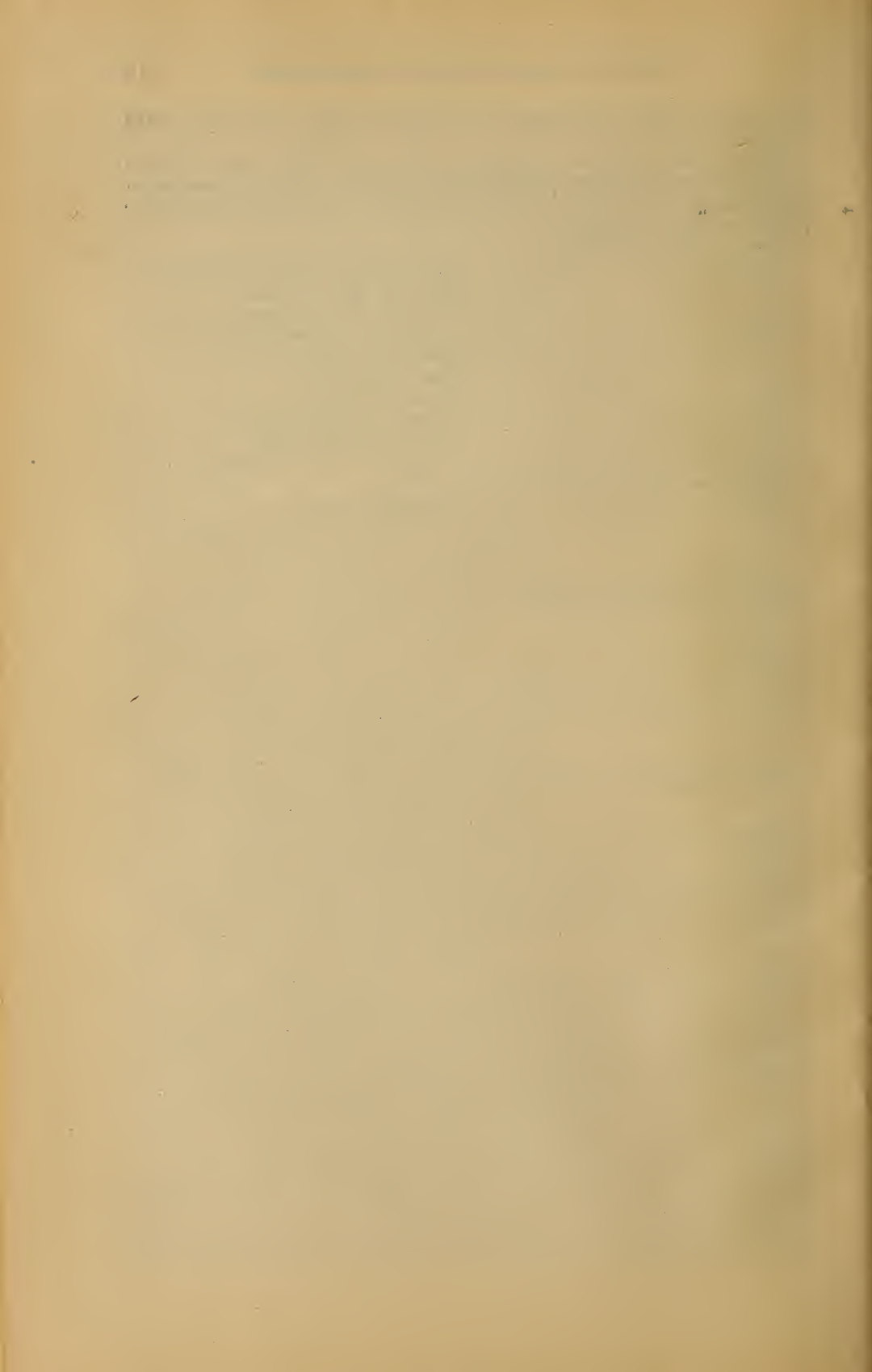
FRANK A. BRANAGAN,

CHARLES B. ELLIOTT,

Members.

To the honorable the SECRETARY OF WAR,

Washington, D. C.



REPORT OF THE GOVERNOR-GENERAL.



REPORT OF THE GOVERNOR-GENERAL.

MANILA, *November 2, 1910.*

GENTLEMEN: I have the honor to present to the Philippine Commission the following report of the Governor-General. This report is for the fiscal year ended June 30, 1910, except as otherwise stated.

On November 11, 1909, the resignation of Governor-General Smith took effect, and the undersigned became Governor-General by appointment of President Taft. The formal inauguration was held on November 24. In the resignation of Governor-General Smith the Filipinos have lost a public servant who served first as a volunteer officer in the United States Army with the rank of brigadier general, then as provincial governor of Occidental Negros, collector of customs, judge of the supreme court, secretary of public instruction, Vice-Governor, and Governor-General, until worn by the intensity of his services he finally sought and received the relief which he had long desired. He has left his memory deep in the hearts of Filipinos, who had learned to love and trust him above all men in the islands.

SPECIAL SESSION OF THE LEGISLATURE.

During the latter part of the fiscal year the occasion for certain important legislation having arisen, a special session of the Legislature was called to meet in Baguio on March 28 for a period of 20 days. It adjourned on April 19, having passed the more important measures for which it was convened, with the exception of an irrigation law, which is now before it at its regular session.

As the opening of the first regular session of the Second Philippine Legislature came at the same time as the writing of this report, I insert here in full the message of the Governor-General to the Legislature, which covers many of the points usually covered by the annual report of the Governor-General, and covers them in sufficient detail for the purposes of this report:

MESSAGE OF THE GOVERNOR-GENERAL TO THE SECOND PHILIPPINE LEGISLATURE.

MANILA, *October 17, 1910.*

GENTLEMEN: Upon the occasion of the opening of the first regular session of the Second Philippine Legislature, I have the honor to submit the customary message of the chief executive, containing a brief statement of existing conditions and my recommendations as to future legislation.

I am glad to be able to inform the Legislature that there now reigns a condition of utter tranquillity throughout the length and breadth of the Archipelago, a tranquillity that does not seem to be threatened with interruption of any sort, either from internal or external disturbances.

The people are devoting themselves more and more to the cultivation of the soil and the development of their resources and are giving practical evidence of their belief that the true and proper course for the Philippine people is devotion to its immediate needs, namely, the material development of the country.

Especial impetus has been given to this direction of the people's energies by the approval by the President of the United States of the act of Congress of August 5 of last year, known as the Payne bill, which extended to the people of the Philippine Islands the advantages of the market of the United States for their products. Although this law set a limit to the amount of tobacco and sugar admitted free of duty, yet the amounts now authorized are sufficient for the immediate needs of the country, and the result has been an unprecedented revival of the agriculture of the islands.

The first effect of the passage of this law was a sharp increase in the prices of tobacco and sugar, an increase which has enabled the people of the islands to greatly increase their production, and the owners of land to largely pay off their debts, to purchase greater numbers of carabao, and to raise the rate of wages which they pay to laborers on their farms. Certain sections of the islands are now comparatively prosperous.

The gloomy forebodings of many who believed that the insular finances were going to suffer too heavy a loss have not been borne out by facts.

The reduction in customs receipts amounted to only ₱1,429,000, which was more than offset by an increase in internal revenue of ₱2,320,000 and an increase in miscellaneous receipts of ₱348,000, leaving a net increase of ₱1,139,000 in the revenues over last year. These figures do not show collections that do not accrue to the insular treasury.

At the end of the first quarter of the present fiscal year the internal revenue accruing to the insular treasury has shown a gratifying increase over the collections for the same part of the preceding year of ₱620,000, and there has been as yet no falling off of customs receipts, but, on the contrary, a moderate increase of ₱150,519. It is, however, wise for us to assume that the maintenance of the present rate of customs collections is temporary only and not to be permanently depended upon. It can be explained by the fact that trade relations are slow in forming, and the inertia of existing business is likely to maintain trade in old channels, even though conditions are such as to favor a change and the flow of business through new channels which will open up and supersede the old ones.

EVIDENCES OF COMMERCIAL AND INDUSTRIAL ACTIVITY.

The Payne bill also has had a surprising effect on the commercial and industrial activity of the islands. The increase in the percentage of internal-revenue taxes collected from merchants and manufacturers of 20 per cent indicates an increase of ₱78,000,000 in the gross volume of goods sold by merchants and manufacturers throughout the islands, exclusive of liquor and tobacco products and of exports. The increase of imports and exports amounts to about ₱36,000,000 for the last fiscal year, or an increase of 30 per cent over that of the preceding year, an unexpected feature of which was that the imports from Europe and countries other than the United States, instead of falling off, showed an actual increase of ₱6,370,000 in value. Trade with the United States increased from ₱29,895,000 to ₱59,055,000.

FINANCIAL CONDITION.

The surplus at the beginning of the fiscal year 1910 was ₱2,602,433. During the year bonds to the par value of ₱3,000,000 were sold, at a premium of ₱9,075.30, and the money was paid into the treasury and is now being expended upon public works, in accordance with Act No. 1954 of the last Legislature. On July 1, 1910, the surplus was ₱3,870,458.52. As ₱4,000,000 is the reserve which it is estimated should be held in the insular treasury against contingencies, it will be seen that the present figures are eminently satisfactory and prove that the treasury is in a safe financial condition. The estimate for the present fiscal year is as follows:

Fiscal year 1911.

RESOURCES.

Cash available for appropriation June 30, 1910-----		₱3, 870, 458. 52
Estimated revenue-----	₱25, 235, 000. 00	
Receipts, etc-----	74, 000. 00	
		<hr/> 25, 309, 000. 00
Total estimated resources-----		<hr/> 29, 179, 458. 52

LIABILITIES.

Fixed charges-----	₱2, 965, 131. 84	
Permanent improvements:		
Continuing -----	₱1, 000, 000. 00	
Fiscal year, 1911-----	3, 872, 730. 00	
		<hr/> 4, 872, 730. 00
Current expenses:		
Continuing -----	391, 750. 00	
Fiscal year, 1911-----	18, 859, 598. 00	
		<hr/> 19, 251, 348. 00
Total liabilities-----		<hr/> 27, 089, 209. 84
Balance -----		<hr/> 2, 090, 248. 68

The estimated insular revenue is ₱25,235,000. Of this ₱8,500,000 is internal revenue, the increase estimated being ₱1,292,000. The estimate of the collector of customs is ₱16,000,000, an increase of ₱300,000. As both bureaus have collected half the estimated increase in the first quarter of the year, it is reasonable to believe that this estimate is conservative and will be considerably exceeded.

The total appropriations for current expenses for the present fiscal year were ₱19,251,000, and for fixed charges ₱2,965,000, of which ₱1,250,000 is the insular contribution toward the annual expenses of the city of Manila. The guaranty of interest on bonds issued by the railroads, and the provision for payment of interest on bonds issued by the railroads, and the provision for payment of interest and principal of the insular government bonds issued for permanent improvements, and the subsidy paid by the insular government to interisland steamers are the other important items classified as fixed charges.

The amount of insular appropriation called upon for payment of interest and sinking funds on the bonds issued for the purchase of the friar lands is rapidly diminishing, owing to the rapid disposition of these lands by sale and lease and the collections in the matter of rentals and of installments on the purchase price by the bureau of lands. The credit for this satisfactory state of affairs is due to the very efficient administration of that bureau.

The total appropriations for public works are ₱4,872,730, all of which are to be paid out of the current revenues of the present fiscal year. One million pesos of this amount is authorized by the continuing annual appropriation for irrigation and the construction of barrio schools. Act No. 1988, the permanent improvement bill passed by the Legislature in Baguio, provided that none of the appropriations authorized in the bill should be available for use until released by the Governor-General. Only ₱1,967,000 have been thus far released, as it is thought advisable to make sure that a possible falling off of customs will not make it necessary to postpone some of the needed permanent improvements. Of these appropriations the following amounts were passed by the Commission in its exclusive legislative capacity: ₱1,237,800 for current expenses; ₱415,600 for public works, this latter figure including the appropriations for the repair and maintenance of the Benguet road.

OTHER PROVISIONS OF THE PAYNE BILL.

In view of the fact that under the operation of free trade with the United States, it was expected that the internal revenue would become the principal source of revenue for the insular government and that the customs would take a relatively unimportant place, it was believed necessary that the proportion allotted to the provinces and municipalities should be changed so that there

should not be an embarrassing reduction of insular revenues and at the same time a very large increase in the revenues of the provinces and municipalities. To obviate this the Congress of the United States inserted in the Payne bill a clause to the effect that all internal revenue collected in the Philippine Islands should accrue to the insular treasury, to be distributed in accordance with future acts of the Legislature; but pending action by the Legislature, the Commission was given authority to distribute these funds. By this authority the Commission passed Act No. 1984, which provides that the provinces and municipalities shall get the same proportion of internal revenue collected by the insular government as they formerly received, with the proviso that in no case should it exceed the amount received by them in the fiscal year 1909. This excepts the collections from all local taxes and the cedula. The increase for 1910 in the internal revenues of provinces and municipalities was ₱208,786 over the collections of the fiscal year 1909.

It is not recommended that any change in the distribution of the internal revenue be made at the present time. Although the expected reduction of revenues has not taken place, and, on the contrary, there has been a marked increase in the insular revenues, it is wise to wait until conditions have readjusted themselves and the government knows what it may safely rely upon for its annual revenues before permanently fixing the new proportion of division between the insular government, the provinces, and municipalities. Moreover, a very considerable part of the insular money is now being expended in the provinces and for their benefit. This is especially true of money for public works, which is allotted directly to the road and bridge funds of the provinces, and for the construction of irrigation systems and artesian wells; the appropriations for the bureau of agriculture, which has stationed veterinarians in all the provinces; the Constabulary, which maintains order; the bureau of health, which has under contemplation the construction of new hospitals in the provinces; and the bureau of education.

The last Legislature passed Act No. 1940, amending the internal-revenue law of 1904 (No. 1189), as amended, and imposing additional taxes, the most important of which is a tax on imported wines and liquors. This law also made provision for the increase in the tax rates on distilled spirits and cigarettes provided for in Act No. 1338, amending the internal-revenue law of 1904 (No. 1189), which had been postponed from time to time by acts of the Commission and of the Legislature. The new internal-revenue law was passed in anticipation of the passage of the Payne bill, and section 7 provided that it should be put into effect by a proclamation of the Governor-General, it being understood that this was not to be done unless the Payne bill was passed by Congress. Immediately upon receipt of the news of the passage of the Payne bill, the proclamation was issued as of date August 7, 1909. The increase in the total collections of internal revenue, including collections for provinces and municipalities and the city of Manila, was ₱2,866,627, of which the sum of ₱1,787,946 was due to increase in tax rates and receipts from new sources, and the sum of ₱1,078,681 was due to increase in the output in the manufacture of taxable articles and increased commercial operations. This indicates a rapid improvement in business conditions, due largely to the establishment of free trade between the United States and these islands.

Another precaution taken by the First Philippine Legislature was the passage of Act No. 1902, which confers upon the Governor-General for three years the power to revert to the treasury any or all of the unexpended balances of any appropriation, and to use any balances left over after the end of any fiscal year, to be transferred to increase accounts of bureaus or offices needing additional money. The first power has been very sparingly used, only two reversions to the treasury having been made, and both of these were not made for the purpose of economy, but because the appropriations were no longer needed. The aggregate amount involved was less than ₱20,000. The following table shows the transfers made for the two last fiscal years:

*Transfers between appropriation accounts by direction of the Governor-General,
fiscal year 1909.*

Executive bureau	₱4,946.02	
Transfer to bureau of civil service		₱4,946.02
Bureau of health	54,250.94	
Transfer to bureau of agriculture		54,250.94
Bureau of lands	40,668.97	
Transfer to weather bureau (wireless station)		20,640.96
Transfer to bureau of agriculture		12,000.00
Transfer to bureau of forestry		8,028.01
Bureau of justice	12,000.00	
Transfer to consulting architect		12,000.00
Bureau of customs	120,284.66	
Transfer to bureau of prisons (purchase of cattle)		11,000.00
Transfer to roads and bridges, Leyte Province		80,000.00
Transfer to bureau of public works		29,284.66
The judiciary	306,160.14	
Transfer to bureau of public works		60,715.34
Transfer to bureau of constabulary		15,000.00
Transfer to repairs public buildings		150,000.00
Transfer to constabulary barracks and quarters, Act No. 1688		5,444.80
Transfer to Philippine Assembly		75,000.00
	538,310.73	538,310.73

*Transfers between appropriation accounts by direction of the Governor-General,
fiscal year 1910.*

The executive	₱49,701.58	
Transfer to executive bureau		₱46,084.76
Transfer to bureau of civil service		3,616.82
Bureau of health	55,512.96	
Transfer to bureau of science		3,156.80
Transfer to bureau of agriculture		45,845.89
Transfer to bureau of forestry		6,510.27
Bureau of posts	87,526.92	
Transfer to bureau of constabulary		10,850.45
Transfer to bureau of public works		76,676.47
Bureau of science	27,324.34	
Transfer to bureau of agriculture (veterinarians, inoculators, and serum cattle)		27,324.34
Bureau of justice	5,786.91	
Transfer to bureau of customs		5,786.91
Bureau of the treasury	30,000.00	
Transfer to bureau of prisons (purchase of cattle)		30,000.00
Bureau of labor	11,798.00	
Transfer to bureau of constabulary		11,798.00
The judiciary	101,513.31	
Transfer to bureau of agriculture (veterinarians, inoculators, and serum cattle)		75,216.13
Transfer to maguey plants, Cebu		14,000.00
Transfer to bureau of education		12,297.18
Bureau of lands	58,459.53	
Transfer to bureau of agriculture (veterinarians, inoculators, and serum cattle)		58,459.53
	427,623.55	427,623.55

The aggregate amounts were ₱538,310.73 in 1909 and ₱427,623.55 in 1910. A very large proportion of this was to enable the bureaus to transfer from current expense to public works.

The public works undertaken with this money involve the construction of a wireless station for the weather bureau; work in connection with the improvement of the general hospital in Manila; increase of money for roads and bridges for assistance to the provinces; and the construction of Malacañan

and the Oriente Building, both of which were in such condition as to make them positively dangerous to occupy in case there should be an earthquake; and the construction of the government center and buildings in Baguio.

The only bureau to which a large transfer has been made for the purpose of increasing its current expenses has been the bureau of agriculture, to which the amount of ₱66,000 was transferred for the year 1909 and ₱206,845 for the year 1910. These sums were necessary in order to successfully fight the rinderpest, an effort which I am glad to say is meeting with success.

By virtue of the authority granted by section 4 of Acts No. 1955 and No. 1989, the secretaries of departments have transferred from current expense to permanent improvement the following sums:

1909-----	₱260, 673. 72
1910-----	1, 052, 229. 02

BAGUIO.

Until last year the Filipino people have reaped no advantage from the construction and maintenance of the Benguet road, owing to the fact that no facilities had been provided for the use of Baguio, once there. All modern and progressive tropical countries maintain a resort at an altitude which assures a cool climate, and that of Baguio is ideal. There is no doubt as to the benefit derived by Filipinos from an annual sojourn in the mountains, not only for those who are suffering from disease, but also those who are enjoying ordinary health.

Contracts have been signed with the Manila Railroad Company for the construction of a railroad line to Baguio, and favorable reports have been received from the engineers of the feasibility of constructing the railroad line in the near future. With this additional facility, the value of Baguio should be greatly enhanced to the Filipinos.

Its effect on people suffering from tuberculosis is most beneficial, and it is believed that as a tuberculosis resort alone it will ultimately justify every expense that has been put upon it.

It is my belief that the Legislature should seriously consider making Baguio the site for a university, with the object of giving the students the advantage of developing their bodies and minds under the favorable conditions which prevail in a temperate climate. I am not prepared to make any recommendations, however, for immediate legislation to this end.

The cost of the government buildings and improvements at Baguio has been taken from the revenues of 1909, ₱204,000; 1910, ₱304,000, including some ₱90,000 in equipment; and 1911, ₱160,000, which it is expected to expend in the course of the year.

These improvements, the larger part of which have been completed, include a system of government buildings, with office and residence facilities for a considerable proportion of the personnel of the government bureaus, exceeding 800; waterworks; sewers; the necessary roads, etc.

The development of the road system of the city of Baguio is paid from the funds pertaining to the city, a considerable part of which have been derived from a special assessment upon the real estate of the city, paid by the owners of lots.

The cost of the Benguet road was much greater last year than before and than it is hoped to be in the future, owing to the unprecedented typhoon of October, 1909, which destroyed work estimated to have cost ₱300,000.

HEALTH CONDITIONS.

Health conditions in the Archipelago are steadily improving. The policy of using the constabulary as a quarantine guard has assisted very greatly in the prevention of the spread of cholera where it has appeared, and at the present writing the islands are comparatively free of that disease. Other epidemic diseases are decreasing in extent, and the recent discoveries as to the cause of beriberi give promise that that disease will soon be very greatly decreased. Its prevalence here has been largely due to the use of polished rice as a principal article of diet, and it has been found that the use of unpolished rice will prevent its appearance where used, and result in the cure of people who were sick of that disease if supplied to them.

The segregation of lepers has had the effect of reducing the number of new cases from between 700 and 800 a year to an estimated number of 300 for the present year, or less than half. As leprosy sometimes takes many years to develop, it is probable that most of these cases were contracted before the segre-

gation of the lepers began and that there will be a marked decrease each year in the number of new lepers.

A society known as the Philippine Islands Anti-Tuberculosis Society has been recently started by private enterprise to wage a campaign against what is probably the most prevalent and dangerous disease to-day menacing the Philippine Islands. The figures of the economic loss to the islands from this disease alone are staggering. It is estimated that 400,000 Filipinos are afflicted with this disease and that 40,000 die every year. Economists estimating the value of human life to the islands would tell us that ₱20,000,000 a year is the economic loss due to the prevalence of this disease, a loss which is wholly preventable in the light of modern scientific and medical knowledge.

The society has the hearty approval and promise of cooperation of the government. Its plan is to establish tuberculosis camps in various places, where sufferers can get careful medical treatment, proper nourishment, and hygienic surroundings, and will be taught the proper method of caring for themselves, and of curing this disease.

It is believed that each of these camps will be a center of information which will disseminate the knowledge thus acquired. It is also intended to carry on a general campaign of education to teach the people the methods of life necessary to cure the disease and to prevent its appearance.

The work of this society will merit legislative assistance, and a reasonable appropriation to assist the society in its work is recommended.

The measures taken toward the suppression of rinderpest in the islands bid fair to wipe out this disease, although we are still far from safe, and reinfection of localities is constantly occurring.

It is now recommended that animals found afflicted with rinderpest be immediately killed, and their carcasses destroyed. The very fact of their being alive in the community is a menace. The attendants are likely to carry the disease on their feet and clothes; birds might carry it, and it is better that the chance of infection be eliminated. It is proposed that the bureau of agriculture be authorized to immediately kill any animal as soon as the disease is detected, giving from the insular treasury a reasonable compensation to the owner thereof. I approve this recommendation, and urge that a special appropriation of the sum of ₱75,000 be made to meet the expense incurred for this purpose during the remainder of the present fiscal year, and that in the appropriation for the ensuing fiscal year an allowance of ₱100,000 be included for this purpose.

Doctor Ward, a very competent veterinarian, has been secured, who is giving his whole attention to the matter of animal diseases. On June 1 an order was issued prohibiting the importation of any diseased cattle into the islands. It was later found that a shipment of cattle from Australia contained several cases of pleuro-pneumonia. This disease is more insidious than rinderpest, owing to the long time it takes for incubation after exposure, the consequent difficulty of tracing the cause of the infection, and the fact that it is more difficult to identify. It has caused great losses in England, the United States, Australia, and other countries, and its introduction in the Philippine Islands would be nothing less than a calamity.

But few cases had been brought in when the matter came to the attention of the government, and the bureau of agriculture ordered a 90 days' quarantine on importations of cattle from Australia, which has had the practical effect of totally excluding them. An expert veterinarian has been sent to Australia to study the whole problem and report.

It is noteworthy that in spite of this action of the government, the price of the cheaper grade of meat is considerably lower than it was before, said to be due in part to the fact that there was an oversupply of the meat on the market about that time, and also to the fact that people are learning to use frozen meat.

Although it is desirable that cattle should be imported from many countries, it is essential that the Philippine Islands should be protected from the introduction of any further contagious diseases.

The bureau of agriculture now estimates that ₱1,318,700 will be needed for next year. The last Legislature increased the appropriation for this bureau by ₱325,000 over the amount for the preceding year, and I should recommend a further increase in order to continue this work.

More than 20,000 draft animals have been imported into the islands in the past year, which indicates a cost value of over ₱2,000,000, and their productive value is worth many times their cost, so that it can be readily seen the islands can not afford to discourage the new upward movement by loss of the draft animals.

NEW LEGISLATION RECOMMENDED.

I have the honor to recommend the passage of a law regulating the use of water for private and public purposes, and the terms upon which water for the purpose of irrigation may be taken from the public streams and distributed among landowners. A bill intended to accomplish this purpose was presented at the first session of the Legislature and at the extraordinary session in Baguio, and both times failed of passage. A committee upon which three distinguished members of the Assembly have been working throughout the summer months is preparing a plan to meet those objections which arose in connection with the first two bills, and it is hoped that the bill will now meet the approval of the Legislature.

At the first session of the Legislature also there was offered a commercial shipping bill to define the status of seamen and creating the office of shipping commissioner. It is believed that this would be of great assistance to the shipping interests, and the passage of this bill is recommended.

It is not believed advisable that concessions or charters for public-service corporations should contain provision for the distribution of the percentage paid to the government in lieu of taxes between the insular, provincial, and municipal treasuries, as the proportions would be different in different charters and would not follow any regular rule. It is therefore recommended that a general law be enacted providing for such proportionment.

At the last regular session of the Legislature a bill was introduced authorizing the banks to keep the 20 per cent reserve required by section 125 of Act No. 1459 of the Philippine Commission, known as the corporation law, against only the current accounts and the fixed deposits coming due within 30 days. The passage of this Act would relieve the banks in a great measure, and afford sufficient security for the depositors. The banks at the present time give full security for all government deposits, and should not be required by law to keep a reserve of 20 per cent against such deposits so secured. I recommend that legislation be passed to remedy this injustice.

It is believed that were the penalty for stealing cattle to be increased, much of the cattle stealing now prevalent in the islands would cease. This has been the result in the Moro Province, where, by act of the Moro council, the penalty has been very greatly increased; and an amendment to existing legislation on the subject is recommended.

Manila is one of the few large cities in the world of great importance that has not a gas plant. It is understood that parties are ready to construct a gas plant in Manila provided a suitable franchise is granted to them by the Legislature. It is recommended that legislation be enacted to enable the granting of a properly guarded franchise, so drawn as to protect the interests of the people.

By recent decision of the Supreme Court of the United States, the punishment imposed by the laws in force in the Philippine Islands for falsification of a public document is declared to be cruel and unusual. The penalty imposed by existing law for this crime is out of proportion to the magnitude of the crime and to penalties imposed for other similar crimes. It is recommended that an amendment be made to the penal code modifying the penalty in these cases, as the decision of the Supreme Court may have the result of liberating certain persons who ought to undergo punishment, and yet who can not be punished to the extreme now provided for in the law. This amendment of law is recommended by the code committee.

It has been suggested that the government should use its resources to assist the owners of sugar estates to combine so as to construct modern mills for the treatment of the sugar cane.

It is an established fact that the present mills recover only about a half of the recoverable sugar in the cane, and that the construction of modern mills would be extremely profitable to the Philippine people, as it would give them very much greater return for their labor.

It is believed that an experiment might be made in this direction, and it is recommended that the authorization be granted by law for the investment by the government of the accretions to the gold standard fund from interest and exchange, and that this money should be made available for the purchase of bonds of companies organized to construct and operate modern sugar mills.

The law should be carefully drawn to provide that all profits, after payment of a reasonable rate of interest on the capital invested, should be expended in the redemption of the bonds, and with other safeguards.

If such authority is granted it is proposed to ask the owners of groups of sugar estates to make propositions to the government, and to purchase the bonds of that company offering the best terms.

The accretions to the gold standard fund derived from the above-mentioned sources have reached a very substantial sum, which is now lying idle in the United States drawing a low rate of interest. It is believed that this money could be used advantageously in the Philippine Islands; and the passage of a law is recommended authorizing the investment of these funds in the same securities as are the sinking funds on government bonds. This would make them available for loans to provinces and municipalities.

Act No. 817 provides a means to fight locusts and gives the provincial governors the necessary authority to enforce the work on the part of the community, incurring certain expenses. The law, however, provides that these expenses shall be defrayed from the congressional relief fund, which has now been exhausted, a fact which renders the law ineffective. Locusts have appeared in several provinces and the necessary money has been advanced from the insular treasury to save the crops in one or two instances. Authorization for these advances is requested, and it is recommended that a fund be created that can be used in the future for such purposes.

The matter of control of labor is one of the serious problems which confront the Philippine Islands. In the First Legislature the Assembly passed a bill which was calculated to remedy the present difficulty, but which was not approved by the Commission, on the ground of doubt as to its constitutionality. It is hoped that some act can be framed which will penalize failure to fulfill the contract for the performance of labor for which money has been advanced, providing always that the terms have been just and reasonable.

The government, and incidentally the people of the Philippine Islands, are continually suffering loss of their good employees. Good men are hard to get and hold, as they are always sought for other positions, and the service which can attract the best class of men and hold them is the one which is going to prosper most. In the Tropics there is the additional risk of losing the health, and a great many valuable American employees have left the Philippine service because of the fact that they feared, after 12, 15, or 20 years of faithful service, that they would go back and find that they were unfitted for the kind of work which remained for them to do in the home land. The cost of living here is such that very few people are able to save much money from their salaries, and the result is that many men are willing to accept a position in the United States at a lower salary and with less responsible work. Could those who had given their lives to the service of the Philippine Islands be assured that a pension would be given to them on retirement, it would result in a marked economy in the matter of holding good men in the service, and in the long run would be beneficial to the islands and result in economies and saving and betterment of administration in excess of the cost of paying the pensions to those who availed themselves of the privilege. I therefore recommend that the Legislature pass an act providing for a reasonable pension which would be proportioned on the length of service and on the salary received.

There is no express provision of law prohibiting slavery or involuntary servitude in the Philippine Islands. While the law provides certain methods of punishing the practice of slavery, as for example, the law for illegal detention, yet it does not seem right that an enlightened and modern country should have no way of punishing the purchase or sale of human flesh. It is recommended that this be remedied by appropriate legislation at the coming session.

The present justice of the peace laws are unsatisfactory. The emoluments are not sufficient to always attract the best men, or to hold all the good men obtained. The number of changes of justices of the peace is a serious matter, and menaces the efficient administration of justice in the lesser units and for the lesser offenses. The passage of a law remedying these defects is of great necessity, and this should be done as soon as finances will justify it.

Another crying evil in the administration of justice lies in the fact that witnesses are not paid for the time they are taken away from their work, which renders it not only a difficult matter to obtain justice, but also makes it a hardship on innocent persons, who are compelled to leave their work in order to see that justice is done. It is customary in all civilized countries to pay the fees of witnesses during the time they are engaged in a case. The only reason this has not been done before is on account of the expense. It will take an increased appropriation for the bureau of justice, but it is an expense which the Filipino people should take as soon as the finances will justify it.

On June 14, 1910, the President of the United States approved an act of Congress providing that the terms for Deputies and Resident Commissioners should be four years. It is recommended that the Legislature pass an act making the term for elective officers in the Philippine Islands conform to that provided for by act of Congress.

There are many amendments to existing legislation, which will be presented by the secretaries of the departments, with their reasons. These involve among others, sundry changes in regard to the mining, forestry, customs, internal revenue, sanitary, and land laws.

W. CAMERON FORBES,
Governor-General.

STRIKES.

The epidemic of strikes which swept the country and proved to be a menace to the commercial development of the city, owing to the additional uncertainty in regard to labor and conduct of business which it entailed, has ceased to be such a potent factor. The strikes, without exception, ended disastrously to both the interested parties—the laborer and the employer—and the officials of the unions who ordered the strikes are the only possible beneficiaries. It was natural that so bad a situation would find its own remedy. The work of Director Tinio, of the labor bureau, in the improvement of this situation and in the enlightenment of the people in regard to strikes and their ill effects is commendable. His work has been of great value to his people.

RAILROADS.

Since the close of the fiscal year the railroad from Iloilo to Capiz has been formally opened. This completes all important projected construction of the Philippine Railway Company, which has the construction of railways in the Visayan Islands. During the fiscal year the only bonds certified for that system were \$559,000. The reason for this small amount is that under the terms of the concession bonds could not be certified until continuous sections of railway had been completed, and accordingly all the work on the northern end of the Capiz line had to be carried by the railway company without the issue of bonds until the connecting line was built. Since the close of the fiscal year bonds to the amount of \$1,396,000 have been certified.

The Manila Railroad Company is now pushing its construction rapidly to the south. At the time of the present writing the line is open to Bay, La Laguna, is 9 kilometers beyond Lipa, in the province of Batangas, and the main line running south to Lucena, province of Tayabas, is extended 3.8 kilometers from the point of connection.

MANILA HOTEL.

A corporation organized for the purpose with Philippine and American capital has let a contract for the construction of a first-class modern hotel, estimated to cost approximately ₱1,000,000, to be completed in December, 1911. Construction has begun and is in active progress. This hotel will be of reenforced concrete, and will fill a most urgent need of the Philippine Islands.

It was found that the hotel could not be constructed within the original estimate and an additional ₱50,000 of stock was placed,

while the government entered into an agreement to take the additional ₱100,000 of bonds. This continues the same proportion between stock and bonds as fixed in the original agreement.

IRRIGATION.

At the beginning of the fiscal year there were ₱1,308,805 available for irrigation from funds appropriated by Acts Nos. 1688, 1837, and 1854.

During the year 19 general provincial investigations were made as to the possibilities of irrigation in the different provinces.

Two hundred and sixteen projects have been reported on, and further investigations have been recommended on 68 of them. Final investigations, surveys, and plans were made for 12. Allotments were made by the secretary of commerce and police of ₱859,757.81 for 9 projects.

Construction has been started on 3 and 1 is now in operation in the province of Bataan at Pilar.

Under existing law the government irrigation projects are constructed by the bureau of public works and administered by the bureau of lands. The director of lands has been endeavoring to obtain contracts with landowners for the reimbursement of the cost of 2 projects.

Legislation which was considered necessary by the irrigation division and recommended by the irrigation committee was presented at the special session of the Legislature last May, but was not passed. During the summer the irrigation committee has gone over this legislation very carefully and a new bill has been presented for the consideration of the present Assembly.

DEPORTATION OF CHINESE.

Certain Chinamen resident in the Philippine Islands had organized themselves into societies known as "tongs," some of which seemed to be akin to societies known as "highbinders," which have infested San Francisco. Some of the members of these societies thought themselves above the law and finally became bold enough to be an actual menace to the peace and progress of the whole Chinese community. According to reports submitted by the Chinese Chamber of Commerce and by the Chinese consul-general, the members of these "tongs" levied blackmail and did not hesitate to resort to crime in order to achieve their ends. Criminal prosecution usually resulted in acquittal, because the societies could produce an abundance of witnesses to prove an alibi for any of their men at any time. The better class of Chinese merchants were very much worked up over the situation and appealed to the government for protection, requesting deportation of the undesirable element.

On August 19, 12 of these men, designated by the Chinese consul-general, were, at his written request, delivered to him by the police of the city of Manila on board a launch and were taken to a steamer chartered by the Chinese community and carried to China, their papers having been taken up by the police and delivered to the Chinese consul-general. Some of them were men of property and means, had resided for some years in the Philippine Islands, and had

families here. The administration was freely criticized by the press for this action, and question as to its legality was raised. In the special session of the Legislature at Baguio an act was passed approving, ratifying, and confirming this action. Meantime six of the Chinamen found their way back into the islands and were released on a writ of habeas corpus by an American judge of Manila, who at the same time enjoined the Governor-General against redeporting these men. They brought suit against the Governor-General, the chief of police of the city of Manila, and the chief of the secret service of the city of Manila for damages for illegal deportation. The matter was settled on July 30, 1910, by a decision of the supreme court unanimously declaring that action could not lie against the Governor-General for his actions, dissolving the injunction against redeportation, and affirming the principle that the court could not interfere with the executive powers of the Governor-General. Three out of the five judges then present and voting declared the deportation to be in every way entirely legal and proper. Two American judges dissented from this opinion, but gave no reason for their dissent. A request for rehearing was filed, and the supreme court awaits the return of two judges, when it is believed that the matter will come up for further consideration with a full court of seven members present. Meantime no further steps have been taken pending the rehearing.

MOUNTAIN PROVINCE.

Conditions are improving in the Mountain Province, and the influence of the American Government is being extended every day a little farther into the hitherto inaccessible regions, bringing more and more people into peaceful occupations and lessening every day the depredations and intertribal fights of the past. The practice of head-hunting as a manner of settling quarrels or gaining prestige is lessening, and the use of the courts and appeals to the American lieutenant-governor are becoming more and more the method of settling disputes. One potent factor in this evolution toward peace lies in the construction of broad and fair trails with easy grades, which are being pressed throughout the mountains and into new territory. It is noticeable on these roads that public order seems to be well maintained and that crimes against travelers have been very few. The undersigned has made three trips during the past year into this country, each time by a different route, and has found that it is wholly unnecessary to take a guard or travel in company. On every occasion the people were well disposed and the reception was most cordial. These savages, numbering approximately 325,000 souls, and belonging to numerous different tribes, with different languages, different habits and customs, and often with differences of feature so that they are readily distinguishable, are an industrious lot and should prove to be a very progressive and productive community. The interior of Luzon is well adapted to coffee raising, it is believed that tea could be grown, and in some of the provinces there are promising mineral prospects, which, if opened up, should greatly develop the country. The people would make excellent miners. The men are also good fighters, make excellent constabulary soldiers for police duty, and are entirely trustworthy. The personal devotion of Commissioner Worcester to this service continues.

MORO PROVINCE.

I am glad to say that conditions are better in the Moro Province. I have several times personally inspected the province, on one occasion in company with the Secretary of War. Under the able direction of General Pershing conditions seem to be very much improved and the people are turning more and more to the arts of peace. In the Moro Province there are some 380,038 people, of whom 316,664 are Moros and 63,374 Christians. Of these, 259,270 live on the island of Mindanao, while 120,768 live on the island of Basilan and the Sulu Archipelago, these latter being almost entirely Moros. (Note: The foregoing figures were compiled from the census of 1903.)

There has been a tendency on the part of the Christian and civilized Filipinos in Zamboanga to agitate in favor of a government by Filipinos in the province, as they seem to like the idea of having a representative in the Assembly and having their own government. The arguments they present in support of this are to the effect that they are cultivated and educated, represent property owners and taxpayers, and feel that they are perfectly able to govern the Moros and themselves. The arguments presented thus far have contained no charges against the present administration of the Moro Province and have shown no particular in which the condition of the people could be bettered by acceding to their request. The Moro population, however, are very strongly opposed to such a procedure; in fact, they declare in very strong terms their objections, even going to the extent of stating that if such a move is contemplated they will take up arms. In view of the fact that the Filipinos requesting these concessions are a very small minority of the population; that the public order of the province would be undoubtedly menaced if such a move were to be made, and that none of the Filipinos living in this province have shown any particular aptitude that would justify the belief that they are especially fitted to take over the reins of government, there seems to be no good argument in favor of this position, but very strong reasons against acceding to these requests. This position has been very clearly taken by the undersigned on his various visits to Zamboanga and was supported by the Secretary of War on his recent visit to the Moro Province.

The extension of agricultural development noted in the last report is proceeding at an increased rate and the condition of public order is good. Owing to unfortunate conditions which prevailed in the district of Davao, due, it is believed, in part to unwise methods employed by a previous district governor, the wild people of the neighborhood, known as Manobos, have been brought into a condition of unrest, which manifested itself in a raid in October of the present year on the peaceful settlements along the gulf coast and resulted in the killing of an American planter, a Chinaman, a Spaniard, and some Filipinos. When those who have been guilty of participation in this affair have been properly punished it is believed that measures can be taken to regain the confidence of these people and avoid such results of similar grievances in the future. The other infractions on public order mentioned in the report of the Commission will not be repeated here.

CITY OF MANILA.

The government of the metropolis has been conducted without special incident. Much work has been done in the important matter of street widening and opening, and, while much more remains to be done, there is reason to feel proud of the results already obtained with the money available. The total income from all sources for the year was ₱4,824,394.25. The new sewer and water system is finished and is giving complete satisfaction; but one thing more remains to be done to make our water supply first-rate, and that is the discovery of some practicable method of eliminating amœbæ, the curse of all tropical surface waters. Work to this end is constantly going on and there is hope of ultimate success.

The health of the city has been remarkably good, and were it not for the great infant mortality our death rate would compare favorably with any American or European city. There have been a few cases of cholera, but the health officers have kept it from spreading and the city is at present free. There has been no plague and almost no smallpox. Two new sanitary barrios have been established and are proving effective in relieving insanitary, congested districts. Formerly it was the custom of the poor to pay a small rental to a landowner for the privilege of erecting and maintaining a house and to locate it on his land wherever fancy dictated and space permitted, with the result that there are large tracts wholly covered with the cheapest class of houses without a street, alley, sewer, or water pipe in the whole tract. It is manifestly impossible to keep such areas clean, and they are breeding places for all kinds of disease and epidemic. These are now being condemned and the inhabitants removed to the sanitary barrios, which are prepared beforehand with streets, alleys, and improvements, the houses being moved thereto, or erected thereon, without expense to the individual, who can thus live in a sanitary neighborhood without increased expense. The two already established are in the San Lazaro and Sampaloc districts. Another is now being laid out in Santa Ana.

One of the greatest of the municipal problems is the question of pavements. No entirely satisfactory material has yet been found for paving streets for heavy traffic, and the poor material hitherto available for macadam, which covers 147 out of our 153 kilometers of streets, has made it necessary to be constantly patching or repaving, at heavy expense and annoyance. During the year a new quarry of much more durable stone has been located and it is expected that better results will be obtained at less cost for maintenance and repairs.

Building operations during the year have shown a healthy increase both as to number and quality of the structures erected. There is a notable tendency toward the use of concrete in place of wood by individual builders, following the example set by the government. This makes for permanency and reduction of fire risk. Fire losses during the year have been heavy, owing to conflagrations in the business district. There were 102 fires, involving a loss of ₱1,215,980, as compared with 125 fires, with a loss of ₱342,452.45, for the preceding year. The fire department is maintained at a high degree of efficiency and is steadily acquiring new and improved apparatus.

Public order has not been seriously disturbed during the year. I have referred to the matter of strikes elsewhere and need here say no

more than that the police department has been well kept up and has been equal to all demands made upon it.

CIVIL SERVICE.

The director of civil service reports a decrease of 26 in the number of Americans and an increase of 242 in the number of Filipinos having a permanent status in the service. Five hundred and eight, or 19 per cent, of the Americans voluntarily resigned from the service during the year.

A comparison of the number of Americans and Filipinos having a permanent status in the service reveals the fact that in the year 1910, 2,633 Americans and 4,639 Filipinos were employed. The average salary paid Americans is ₱3,325, an increase of ₱100 over last year. The average salary paid Filipinos is ₱926, an increase of ₱12. The total average salary increase is a little less than ₱10. This means that the Filipinos are substituting the lower-priced Americans in the service. The number of Americans and Filipinos in the service for the last eight years, excepting 1906, the salaries of Americans and Filipinos, and the number and per cent of Americans and Filipinos in the classified service for the same time are shown by the following statements:

Table showing the numbers and percentages of Americans and Filipinos in the Philippine classified civil service on January 1 of the years given.

Years.	Total.	Americans.		Filipinos.	
		Number.	Per cent.	Number.	Per cent.
1903.....	3,630	1,606	44	2,024	56
1904.....	5,523	2,725	^a 49	2,798	51
1905.....	6,351	2,796	44	3,555	56
1907 ^b	5,384	2,157	40	3,227	60
1908.....	5,457	2,024	37	3,433	63
1909.....	5,964	2,186	37	3,778	63
1910.....	6,101	2,155	35	3,946	65

^a Increase due to classification of teachers on September 1, 1903.

^b No data for 1906 available.

Comparison of the number of American and Filipino officers and employees having a permanent status in the service and the salaries paid on January 1 of the years given.

Years.	Officers and employees.			Salaries paid.			Average salaries.		
	Americans.	Filipinos.	Total.	Americans.	Filipinos.	Total.	Americans.	Filipinos.	Total.
1903.....	2,777	2,697	5,474	₱7,236,700	₱2,189,376	₱9,426,076	₱2,605.94	₱811.76	₱1,721.97
1904.....	3,228	3,377	6,605	8,663,720	2,932,834	11,596,554	2,693.92	868.48	1,755.72
1905.....	3,307	4,023	7,330	8,942,424	3,309,738	12,252,162	2,704.08	822.70	1,671.51
1907 ^a	2,616	3,902	6,518	7,869,242	3,234,494	11,103,736	3,008.12	828.93	1,703.55
1908.....	2,479	4,080	6,559	7,749,236	3,686,855	11,436,091	3,125.95	903.64	1,743.57
1909.....	2,659	4,397	7,056	8,576,962	4,018,988	12,595,950	3,225.63	914.03	1,785.14
1910.....	2,633	4,639	7,272	8,755,486	4,296,896	13,052,382	3,325.29	926.25	1,794.88

^a No data for 1906 are available.

It will be seen from the foregoing that the so-called filipinization of the service has progressed more during the past than in the two preceding years. This fact does not seem to satisfy the advocates of a more rapid filipinization of the service, as their eyes seem to be fixed upon the higher salaried positions and they let the fact of the steady increase in the percentage of Filipinos to Americans pass by unnoticed. It is necessary, however, to proceed on intelligent lines by gradual processes and to make changes only where it is clearly shown that no disadvantage to the service will ensue when a change is made. Two classes of disadvantage must be taken into consideration: One is the demoralization of the service where American employees are displaced, to the possible acceleration of the already alarmingly high rate at which the Americans are leaving the service; and the second is with reference to the capacity of the Filipino to properly fulfill the duties of the position. There are some classes of work in which Americans are necessary; for example, it is not believed advisable to reduce the number of American school-teachers; in fact it would give me the keenest pleasure were the finances such as to justify doubling the number of American teachers in the islands, as it is impossible to get Filipinos who can teach the English language as can Americans. It is not my purpose to filipinize the constabulary to any very great extent. I believe the maintenance of order had best be conducted by American officers. It is my belief that in the judiciary the proportion should be one-half Americans to one-half Filipinos. It is important that certain proportions of the officers in the attorney-general's and prosecuting attorney's offices, in the force of engineers, and in the executive positions in the bureaus should be Americans for a number of years to come. On the other hand, it is my belief that there are many positions in which the number of Filipinos in the service ought to be very largely increased. It is unfortunately true that in the matter of public works it is impossible to find Filipinos equipped to do the work of engineers. Few Filipinos have devoted themselves to the science of engineering, and it is impossible to find enough Filipinos equipped to take on these duties. In the matter of veterinarians not only has the government been unable to find them, but the Filipinos have not cooperated in the efforts of the government to educate them, it having been found that there are very few applicants for the veterinary school which the government undertook to establish. It is my belief that further training of Filipinos for positions as officers in the coast-guard service should be undertaken. I am heartily in favor of the establishment of a nautical school. There are many positions, however, where more Filipinos could be employed with distinct benefit to the service, and the attention of all responsible officers will be called to the fact that it is the desire of the administration that the percentage of Filipinos in the service be increased with greater rapidity.

It is hoped that some way will be found of pensioning employees so as to minimize the loss of American officials and the tendency for experienced men to leave the service.

ENGLISH LANGUAGE.

The secretary of public instruction has made certain recommendations in regard to the extent of the use of the English language. I

am in accord with the views of the secretary, and it is my belief that the time is not far distant when a working knowledge of the English language should be a requisite to all employees in the government service, whether insular, provincial, or municipal, and that the conduct of the business of the provinces and municipalities should be carried on in English. It is believed that this rule once established would result in a great stimulus to the learning of the English language. From time to time enthusiastic Filipinos more familiar with some other tongue promulgate the theory that some other language than English should be the official language of the islands, on the ground, first, that Spanish is the tongue which educated and cultivated Filipinos now use for intercommunication, as, for example, in the Assembly and in the courts, or else they propose the formation of a Filipino language to be formed from the different dialects now prevalent in the islands and which in itself would be more akin to the native dialects of the Filipinos, and therefore more easily learned than is the English language. It is improbable that a new dialect could be devised in which there could be literature which could be understood by any other people in the world and which would be a valuable asset to the Filipino people. Their difficulty now is that they have too many languages rather than too few, and the addition of one more would serve no useful purpose.

EXECUTIVE BUREAU.

No important changes have taken place in this office during the year. Its work has shown the usual steady increase, though the office force remains practically unchanged numerically. Much needed room has been obtained by the erection of a 2-story reinforced concrete addition to the ayuntamiento, which provides space for the records division and security for the government archives. The report of the executive secretary, forwarded herewith, shows the work of the bureau in necessary detail.

PROVINCIAL GOVERNMENTS.

All provincial governments organized under Act No. 83, 31 in number, are directly under the administrative control of the executive bureau, and detailed information will be found in the report of the executive secretary. The filipinization of this service has gone steadily forward. All the provincial officers are now Filipinos, with the exception of 22 American treasurers. In the other permanent offices there are 959 Filipinos and 14 Americans, a total of 1,069 regular officials and employees over which the executive bureau has administrative control, 62 of which are elective and 1,007 appointive, 1,033 being Filipinos and 36 Americans.

Very gratifying enthusiasm has been displayed throughout all the provinces in the construction and maintenance of roads and bridges, practically all available resources, after payment of administrative expenses, having been devoted to that purpose. The demand for roads has necessarily hindered the construction of permanent public buildings, but it is believed that the prosperity which will follow the road improvement will enable this work eventually to be prose-

cuted faster than if the money were now diverted from the roads. Concrete provincial buildings were completed in Cagayan and Tarlac, and concrete jails in Pampanga and Tarlac, and provincial buildings are in process of construction or reconstruction in Agusan, Ambos Camarines, Iloilo, Isabela, and Surigao.

Artesian wells have been bored in many new places, with marked results in the improvement of the health of the people served. An act of the Legislature appropriated ₱300,000 for this purpose and allotments are usually made by requiring the province or municipality to pay one-third the cost of a well, the government paying two-thirds.

During the special session in Baguio an act was passed permitting the provincial boards, after approval by the Governor-General, to extend without penalty the period for the collection of the land tax. This was done in 20 provinces. No remissions of land tax were granted during the year. This tax, unknown in its American form, was extremely unpopular at first, but the people seem gradually to be getting used to it, and complaints against it are diminishing in intensity and frequency.

Respectfully submitted.

W. CAMERON FORBES,
Governor-General.

To the PHILIPPINE COMMISSION,
Manila, P. I.

REPORT OF THE EXECUTIVE SECRETARY.

REPORT OF THE EXECUTIVE SECRETARY.

THE GOVERNMENT OF THE PHILIPPINE ISLANDS,
EXECUTIVE BUREAU,
Manila, July 15, 1910.

SIR: I have the honor to submit herewith the following report of the executive bureau for the year ended June 30, 1910.

LEGISLATION ENACTED BY THE SECOND PHILIPPINE LEGISLATURE, SPECIAL SESSION, AFFECTING THE EXECUTIVE BUREAU.

By Act No. 1988, the public works appropriation bill for the fiscal year 1910, there were appropriated ₱20,000 for an addition to the Ayuntamiento Building occupied by this bureau. It is proposed to build a reenforced concrete structure across the rear end of the lot, connecting the two wings and completing the rectangle in which to place the records division and the archives safe from fire, thus obtaining much needed space for offices. A very substantial building is already started, and it is intended that all the contemplated improvements will be completed before the next meeting of the Legislature.

EXTRADITION PROCEEDINGS.

On April 28 a cablegram was received from the Bureau of Insular Affairs requesting the arrest and detention of a forger and embezzler who had fled from Omaha. The man, who was promptly arrested in Manila, waived extradition, and was sent to the United States under guard on the United States Army transport which sailed from Manila May 14.

During the early part of the fiscal year a request was received from the governor of Guam for the extradition of a Filipino who was wanted for trial in Guam on a charge of bigamy. Investigation, however, resulted in the discovery that no statutory provision has been made for extradition between the Philippine Islands and Guam, and, as a consequence, the extradition was not consummated.

PARDONS.

On July 1, 1909, some 429 petitions for pardon remained on hand for determination. During the year 765 new petitions were received, and on June 30, 1910, 145 cases were under investigation or awaiting the decision of the Governor-General.

The following figures show in detail the disposition made of petitions pending at the opening of the fiscal year and those received during the year:

Petitions received.....	765
Full pardons granted.....	9
Remissions of unserved portions of sentences.....	245
Commutations of sentences.....	370
Paroles issued.....	2
Reprieves issued.....	2
Denials.....	725
Deaths of prisoners before final action on petitions.....	5
Expirations of sentences before final action on petitions.....	16
Petitions filed without submission to the Governor-General.....	70
Petitions referred to municipal board of Manila (violations of ordinances).....	5
Cases referred to the committee on pardons by direction of the Governor-General.....	5
Petitions pending decision, investigation completed.....	20
Cases under investigation.....	125
Commutations of sentences revoked by the Governor-General.....	8

COMMITTEE ON PARDONS.

Cases considered.....	41
Old cases, pending.....	98

(All from the province of Samar, except one.)

It will be seen that the number of cases reported as disposed of is larger than the petitions received and those pending at the close of the previous year. The difference is due to the fact that the cases disposed of include prisoners who did not present applications for pardon, such as those recommended for consideration by the pardon committee, those who were granted commutations of sentence on condition that they work at Baguio, those pardoned by the Governor-General during his inspection tours to the various provinces, and co-defendants of prisoners who filed formal petitions.

The committee on pardons, mentioned in previous reports, has nearly completed the work with which it was originally charged, i. e., that of investigating the cases of prisoners convicted prior to May 1, 1906, of bandolerismo (brigandage), sedition, and insurrection. However, in order that all prisoners of this class might be treated alike, the committee has decided, with the approval of the Governor-General, to investigate the cases of all prisoners convicted of crimes of this class now serving sentence in penal institutions of the islands. This will increase the work of the committee by about 370 cases.

PASSPORTS.

There were issued by this office 153 passports to citizens of the United States, 85 to citizens of the Philippine Islands, and 1 to a citizen of the United States and Hawaii, a total of 239, as compared with 178 for the year before.

CABLEGRAMS.

The total number of cablegrams sent and received, 753, was somewhat smaller than for the preceding year. From the 419 cables sent and 334 received a total of 6,722 excerpts were furnished other bureaus and individuals. This number of excerpts was about 10 per cent greater than during the year before. The cost to the bureau of this service was ₱8,564.61.

TRANSPORTATION.

The transportation contracts with trans-Pacific companies, and the agreement covering transportation of employees to the United States via the Suez Canal, mentioned in my last report, continue in force.

Transportation to the United States was secured for 714 persons, 612 adults and 102 children. Of these, 273 adults and 42 children traveled by commercial liners, the others by Army transports. Transportation on Army transports was also secured for 30 adults to Nagasaki, for 3 adults and 2 children to Honolulu, and for 4 adults and 1 child from Nagasaki to San Francisco.

Included in the number of persons furnished transportation by transport were 48 indigent American citizens and 36 conditionally pardoned American prisoners.

CONTRACTS FOR GOVERNMENT ADVERTISING.

As stated in my report for 1908, contracts were made with four Manila newspapers for government advertising, two in English and two in Spanish. One of these contracts was canceled on October 14, 1909, the three others continuing in force.

ELECTIONS.

General elections for delegates to the Philippine Assembly, provincial governors, and third members of provincial boards, and municipal presidents, vice-presidents, and councilors were held on November 2, 1909.

The registration was 208,845, or 103,879 more than that of the elections of July, 1907 (almost double), and 37,203 more than that of November, 1907 (21.67 per cent). The proportion of registered voters to population is 3.03 per cent. The number of votes cast was 192,975, or 92.40 per cent of the registration. The proportion of votes cast to population is 2.81 per cent.

Elections were held in 31 regularly organized provinces, for all the offices above mentioned; in 3 specially organized provinces, for Delegates to the Philippine Assembly; and in the city of Manila, for 2 assemblymen and 2 members of the municipal board.

Eighteen Delegates were reelected and 19 failed of reelection. Nineteen governors ran for reelection, 5 of whom were successful. Six of 10 third members who desired reelection, won. Eight protests against provincial governors and three against third members were filed in the courts. There were three protests against provincial officials considered by the Governor-General. All of these protests were dismissed, except in one case where the court declared the protestant elected. The following table gives the data in detail:

Data of general elections in November, 1909, for delegates to the Philippine Assembly, and provincial and municipal offices.

Provinces.	Number of persons registered.	Number of votes cast.	Number of votes obtained by political parties or factions.					Number of contested elections.	Number of candidates whose elections have been confirmed.	Number of protests dismissed.	Number of elections annulled by court.	Number of officers affected by the annullment of the election.	Records ordered and result changed thereby.	Number of protests which court decided candidates filed.	Number of charges filed with court for alleged election frauds.	Remarks.	
			Progresista.	Nacionalista.	Liguero.	Independent.	Unknown.										
Albay.....	8,446	7,608	623	3,502	.....	2,155	904	8	9	7	3	.....	.....	1	2	.....
Ambos Camarines.....	6,706	6,589	338	3,272	.....	1,293	1,322	6	6	3	.....	.....	.....	.....	.....	.....
Antique.....	2,283	2,378	756	564	.....	135	459	1	1	1	.....	.....	.....	.....	.....	.....
Bataan.....	1,221	1,221	.....	1,003	.....	122	43	.....	.....	.....	.....	.....	.....	.....	.....	.....
Batanes.....	350	343	.....	.....	.....	325	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Batangas.....	7,367	537	537	5,037	.....	449	.....	6	6	4	.....	2	.....	.....	.....	.....
Bohol.....	2,883	2,689	.....	2,487	.....	205	.....	3	3	3	.....	.....	.....	.....	.....	.....
Bohol.....	8,989	8,346	.....	8,346	.....	.....	.....	3	3	6	.....	.....	.....	.....	.....	.....
Bulacan.....	9,502	8,346	.....	3,344	.....	2,260	618	2	2	.....	1	1	.....	.....	.....	.....
Cagayan.....	6,929	6,046	.....	3,453	.....	125	164	11	46	10	.....	.....	.....	.....	.....	.....	1 protest against provincial governor; dismissed.
Capiz.....	6,667	6,411	2,318	3,453	8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cavite.....	8,587	7,637	.....	3,133	.....	895	2,941	2	2	.....	1	1	.....	.....	.....	.....	1 protest against provincial governor; dismissed.
Cebu.....	10,903	9,894	161	8,698	.....	738	.....	9	13	5	2	7	.....	.....	.....	.....	1 protest against provincial governor and third member; dismissed.
Ilocos Norte.....	5,350	5,227	592	1,756	.....	2,664	.....	8	10	8	1	.....	.....	.....	.....	.....	1 protest against provincial governor; dismissed.
Ilocos Sur.....	7,075	6,925	3,554	1,695	.....	266	1,050	2	2	3	1	1	.....	.....	.....	.....	1 protest against provincial governor; dismissed.
Iloilo.....	19,857	13,978	9,208	5,600	.....	1,014	.....	3	4	.....	.....	.....	.....	.....	.....	.....	Do.
Isabela.....	3,616	3,385	1,353	1,231	.....	143	.....	5	20	4	1	.....	.....	.....	.....	.....	Do.
La Laguna.....	6,821	6,358	1,631	3,048	.....	1,411	.....	6	9	6	.....	.....	.....	.....	.....	.....	Do.
La Union.....	4,683	4,775	1,718	1,696	.....	1,196	.....	3	6	3	.....	.....	.....	.....	.....	.....	Do.
Leyte.....	8,241	8,241	243	6,042	233	159	679	9	10	5	2	2	1	1	5	.....	Do.
Manila.....	6,939	6,024	993	1,984	2,330	.....	.....	1	1	1	.....	.....	.....	.....	.....	.....	Do.
Mindoro.....	460	460	.....	370	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	Do.
Misamis.....	2,828	2,320	.....	1,877	.....	351	.....	1	1	.....	1	.....	.....	.....	.....	.....	Do.
Newba Cijio.....	4,304	4,083	1,435	2,221	.....	124	165	4	4	4	.....	.....	.....	.....	.....	.....	1 protest against provincial governor.
Occidental Negros.....	6,528	6,315	2,456	1,637	.....	705	.....	4	5	2	1	1	.....	.....	.....	.....	testant declared elected by court.
Oriental Negros.....	2,757	2,480	1,727	344	.....	610	100	.....	.....	.....	.....	.....	.....	.....	.....	.....	Do.
Palawan.....	3,379	358	.....	.....	.....	418	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1 protest against provincial governor and third member; dismissed.
Pampanga.....	5,623	5,623	1,498	2,236	.....	.....	.....	6	8	6	.....	.....	.....	.....	.....	.....	1 protest against provincial governor and third member; dismissed.

	14,855	14,583	1,708	3,027	132	4,060	13	13	10	1	1	2	2	2	1	166
Pangasinan.....	5,943	5,807	1,556	2,055	349	1,221	5	9	4	.....	.....	.....	.....	.....	.....	.....
Rizal.....	4,780	4,584	2,191	1,130	.....	523	6	6	6	.....	.....	.....	.....	.....	1	3
Samar.....	5,898	5,693	370	2,714	447	1,629	5	5	4	.....	.....	.....	.....	.....	1	.....
Sorsogon.....	1,345	1,211	556	423	150	.....	2	2	1	1	1	.....	.....	.....	.....	.....
Surigao.....	5,474	5,114	1,636	2,561	1,045	.....	5	6	5	.....	.....	.....	.....	.....	.....	.....
Tarlac.....	9,940	9,454	2,303	5,106	.....	1,116	4	8	3	.....	.....	.....	.....	.....	.....	.....
Tayabas.....	2,307	2,282	116	1,384	.....	504	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Zambales.....	208,845	192,975	38,588	92,996	3,621	10,464	146	223	114	16	21	9	7	166	.....	.....
Total.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

1 protest against third member; dismissed.

1 protest against provincial governor and third member; dismissed.

APPOINTMENTS.

The Governor-General made 773 appointments and designations, 481 of whom were justices and auxiliary justices of the peace. Seventeen provincial officers resigned to become candidates for Delegates and for other provincial officers. Fifty-one justices and auxiliary justices of the peace also resigned for electoral reasons. The following table gives these details in full:

	Appointments by Governor-General and the Commission.	Appointments canceled by Commission.	Appointments and designations by Governor-General only.	Declinations.	Resignations.	Reliefs.	Removals.	Deaths.
Insular officers, including judges.....	67	1	20	.....	6	3	.....	2
Provincial officers.....	28	2	24	3	^a 32	.....	.....	.....
City of Manila.....	6	.....	7	.....	.....	.....	.....	.....
City of Baguio.....	5	.....	.....	.....	.....	.....	.....	.....
Municipal officers.....	.....	.....	136	.....	.....	.....	36	23
Justices of the peace.....	200	.....	4	4	^b 148	.....	21	9
Auxiliary justices of the peace.....	282	.....	.....	17	^c 213	.....	8	3
Total.....	588	3	187	24	399	3	65	42

^a Seventeen provincial officers resigned to become candidates for Delegates to the Assembly and for other provincial offices.

^b Sixteen justices of the peace resigned to become candidates for municipal offices; two for Delegates.

^c Thirty-five auxiliary justices of the peace resigned to become candidates for municipal offices.

REMOVALS.

One provincial governor was suspended upon charges of maltreating prisoners in his custody. He was convicted of this in court, and at the end of the fiscal year he was still under suspension, pending removal by the Governor-General and the Philippine Commission.

There were charges against 338 municipal officials and justices and auxiliary justices of the peace, 262 of whom were found guilty. After investigations, 53 of these were removed and 24 were removed and disqualified from holding any public office. The following table shows in detail the number of officers tried, those found guilty or not guilty, etc.:

Disposition, etc.	Presi- dents.	Vice presi- dents.	Secre- taries.	Treas- urers.	Coun- cillors.	Jus- tices of the peace.	Aux- iliary justices of the peace.	Chiefs of the police.	Ser- geants.	Cor- porals.	Police- men.	Munici- pal clerks.	Total.	Grand total.
Cases tried:														
Officers suspended pending final decision	49	11	2	3	64	18	7	5	3	4	6	1	173	.....
Officers not suspended pending final decision	18	3	2	4	102	22	4	1	1	1	4	.....	165	.....
Total	67	14	4	7	166	40	14	6	4	5	10	1	338	338
Action taken:														
Found guilty—														
Removed and disqualified from holding public office.	4	2	.....	4	3	7	4	.....	.....	.....	.....	.....	24	.....
Removed	6	2	.....	1	14	14	4	2	3	2	5	.....	53	.....
Resignation required or accepted	2	.....	.....	.....	1	6	3	.....	.....	.....	.....	.....	12	.....
Warned or reprimanded or disciplined or suspended	26	6	1	1	110	9	2	3	1	3	2	.....	164	.....
No punishment owing to expiration of term	3	.....	.....	.....	5	.....	.....	.....	.....	.....	1	.....	9	.....
Total	41	10	1	6	133	36	13	5	4	5	8	.....	262	262
Found not guilty—														
Reinstated or continued in office	12	2	1	1	18	4	1	.....	.....	.....	.....	1	40	.....
Not reinstated owing to expiration of term .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Charges dismissed	8	.....	1	.....	6	.....	.....	.....	.....	.....	2	.....	17	.....
Total	20	2	2	1	24	4	1	.....	.....	.....	2	1	57	57
Filed without action by the Governor-General	6	2	1	.....	9	.....	.....	1	.....	.....	.....	.....	19	.....
Total number of cases disposed of	61	12	3	7	157	40	14	5	4	5	10	1	319	.....
Grand total	67	14	4	7	166	40	14	6	4	5	10	1	338	338

	Neglect of official duties.	Abuse of official position.	Ignorance and incapacity.	Bad habits.	Extortion.	Larceny and bandolerismo.	Malversation and breaches of trust.	Bribery and kindred crimes.	Forgery and falsification.	False arrest.	Crimes of violence.	Violation of law (election, etc.), executive orders and municipal ordinances.	Slander, disrespect, and use of bad language.	Interference in religious affairs.	Total.	Grand total.
Guilty:																
Presidents.....	20	14	1	6			1	1		3	4	10	2	1	63	
Vice-presidents.....	2	1		1				1	1		1	3	2		12	
Secretaries.....	1														1	
Treasurers.....				2			2									
Councillors.....	127	7		3			2				1	3			10	
Justices of the peace.....	13	30	5	4		1	3	1	1		5	13	9		170	
Auxiliary justices of the peace.....	1	6		3	2		7	1		3	1	2	1		69	
Chiefs of police.....	3	1		3			1			1					15	
Sergeants.....	3														6	
Corporals.....	5			1											4	
Police-men.....	6								1		1				5	
Total.....	181	59	9	22	4	1	14	4	3	7	13	31	14	1	363	363
Not guilty:																
Presidents.....	15	17		2					7	4	3	10	3	1	68	
Vice-presidents.....	1				2	1	3		2		1				4	
Secretaries.....	1								2			1			4	
Treasurers.....															2	
Councillors.....	5	16	1				2		11			2			2	
Justices of the peace.....	4	7	1		3		3				4	7	5		51	
Auxiliary justices of the peace.....		3								1	1	1	1		22	
Chiefs of police.....										1					4	
Sergeants.....	1	1													2	
Corporals.....															2	
Police-men.....	2														2	
Municipal clerks.....									1						1	
Total.....	29	44	2	2	5	1	8		23	6	9	21	9	1	160	160

[illegible]

The foregoing table shows the nature and result of the 563 charges brought against the 338 officers referred to in the next preceding table. The total of the two tables do not coincide for the reason that an officer is frequently charged in the same case with several different offenses, found guilty of some, and acquitted of others. Neglect of duty is still the most general offense, there being 214 of such charges. Abuse of official position follows, with 109, and violations of the election law, etc., occupy the third place, with 67.

At the close of the fiscal year there were 64 cases pending before the provincial boards, 56 before the courts of first instance, and 59 in this office.

NEW LEGISLATION AFFECTING PROVINCIAL AND MUNICIPAL GOVERNMENTS.

With the exception of Act No. 1963, which provides for the incorporation of the city of Baguio, in the subprovince of Benguet, Mountain Province, and places administrative control of the city directly under the Governor-General, no legislation has been enacted during the past fiscal year affecting the organization or government of provinces and municipalities.

Act No. 1979 increases the powers of provincial boards by authorizing them, with the approval of the Governor-General, to extend the time within which the cedula and land taxes may be paid without penalty in their respective provinces for a period not exceeding three months in any year, whenever, in the judgment of the board, the public interests so require. Notwithstanding the fact that the law provided a period of four months within which the cedula tax might be paid without penalty and three months within which the land tax might be paid without penalty, experience during past years has proved that a method of deviation from absolutely fixed rules in respect to these taxes, which are imposed directly on people whose source of income is from the soil, is not only highly desirable, but absolutely necessary in many cases, owing to the disastrous effects of heavy storms and floods, heavy invasions of locusts, and other calamities just prior to harvest time, for which they are not responsible, and which at times completely destroy crops in certain localities. It is impossible for the Legislature to be always at hand to grant relief or extensions of time in these special cases. This act also provides that provincial boards may provide by resolution, in their discretion, for the increased cedula tax authorized by Act No. 1652, and that said resolution shall remain in force until repealed by resolution, which shall not be held valid unless approved by the Governor-General. This provision is believed to be of distinct advantage to the provinces in many ways over the former method of having to provide by resolution for this increased tax each year, especially with regard to road and bridge construction and other permanent public improvements. By this increased cedula tax in all of the regularly organized provinces an average of 25 centavos per capita of civilized population accrued to the road and bridge fund, in addition to ₱1,200,000 which were appropriated from insular funds by the Legislature, by Act No. 1954, to be distributed to those provinces which provide for the increased tax and the additional 10 per cent of internal revenue which by law accrues to the road and bridge

fund of said provinces. The only other revenue accruing to the road and bridge fund is one-eighth of 1 per cent on the assessed valuation of all taxable real property in the provinces, the total amount of which is very much smaller than the amounts derived from the increased cedula tax alone. More than 75 per cent of the revenue that might be available in a province for road and bridge construction and maintenance could be lost simply by reason of a provincial board failing to pass the necessary resolution each year. As a consequence, no construction could be undertaken, the estimated cost of which exceeded the estimated available revenue for one year. Even the maintenance of existing well-constructed roads and bridges could not be depended on with certainty. It is believed that this provision of Act No. 1979 will effectually remove difficulties of this nature which have been experienced in the past.

By Act No. 1988, there were appropriated by the Legislature ₱1,500,000 to be allotted during the fiscal year 1911 by the secretary of commerce and police for road and bridge construction and maintenance in those provinces which imposed the increased cedula tax, including also the provinces of Batanes, Mindoro, and Palawan, which insures a steady advancement along these lines throughout the islands. The act further provides for a continuing annual appropriation of ₱500,000 so long as the resolutions of all the provincial boards, adopted under Act No. 1652, shall continue the increased cedula tax.

PROVINCIAL AND MUNICIPAL AFFAIRS.

Of the 31 regularly organized provinces and the specially governed province of Batanes, which comes under the direct administrative control of this office, the filipinization of the service has been advanced as rapidly as possible without resort to the discharging of Americans with long, faithful, and satisfactory service records. On January 1, 1910, all of the provinces above mentioned had Filipino governors and third members, these offices being elective, except in the province of Batanes. There were 22 Americans and 10 Filipinos serving as treasurers, these offices being appointive. Of the other appointive officers and employees holding regular appointment in these provinces, exclusive of judicial and health officers and those employed on construction work, who do not come under the direct jurisdiction of this office, there were 959 Filipinos and only 14 Americans, or a total of 1,069 regular officials and employees over whom this office exercises direct administrative control, 62 of whom are elective and 1,007 appointive, 1,033 of the total being Filipinos and 36 being Americans.

Much enthusiasm has been shown throughout all the provinces during the year in the construction of roads and bridges and in the maintenance of existing roads and bridges, practically all available resources, after payment of current administrative expenses, being appropriated for these purposes. Very little has been done in the construction of much-needed public buildings, owing largely to increasing demands made by the people for good roads and bridges. Reinforced concrete provincial buildings were completed in the provinces of Cagayan and Tarlac and reinforced concrete jails in the provinces of Pampanga and Tarlac.

Provincial buildings are in process of construction or reconstruction in the provinces of Agusan, Ambos Camarines, Iloilo, Isabela, and Surgiao.

Act No. 1988 appropriated ₱300,000, to be allotted in the discretion of the secretary of commerce and police for the drilling of artesian wells and the obtaining of water by other means, including the cost of new equipment and pumping plants, when necessary.

The allotments from this fund, as a rule, have been made on condition that the provinces and municipalities pay one-third of the cost of drilling the wells, the insular government paying two-thirds.

The artesian-well territory is being gradually extended, and the beneficent effects and resultant decrease in stomach and bowel complaint give eloquent testimony to the wisdom of the appropriation.

All of the regularly organized provinces provided, by resolution, for the collection of the ₱2 cedula for the calendar year 1910, the additional peso being applied exclusively to the construction and repair of provincial roads and bridges. The provincial governments received during the fiscal year for road and bridge work from this source alone ₱1,676,326.70.

The present system of provincial and municipal sanitation leaves much to be desired, in that much time and attention of this office are devoted to the adjustment of questions which naturally arise between the local and insular authorities as to jurisdiction, expenditures, etc.; and desired results are not obtained. It can not be said that the fault lies with the bureau of health, which exercises general supervisory control over all municipal health measures, but is due to a combination of circumstances resulting from two branches of the government, which may, and do, in many instances, have widely different views as to proper health and sanitary measures adaptable to the locality. This is especially true where contagious disease is not actually present in a locality. It is almost impossible to convince the average municipal council of the necessity for appropriations of money, and rigid and constant enforcement of health and sanitary ordinances when the locality is free from epidemic. While the bureau of health has, through its district health officers, control over appointments of presidents of municipal boards of health and necessary sanitary inspectors, it has to depend on the municipal councils, which have the sole power to appropriate money, for the payment of the salaries and other expenses of its local officers. The municipalities are limited by law to a certain percentage of their revenues for salaries, and in their efforts to keep within these limits often resort to cutting down appropriations for proper sanitary measures and health protection and even to abolishing positions altogether, to the great detriment of the general scheme of the bureau of health. These cases have generally been capable of adjustment when brought to the attention of this office, but in remote municipalities from one to six months have elapsed before final satisfactory adjustment could be made. Such delays are dangerous. Neither does a case of this kind once settled appear to have a permanent effect on municipalities, as a change in officials often means a change in policy irrespective of precedents that may have been established. There are two cases still pending where municipalities have absolutely refused to appropriate the amounts necessary to pay the salaries of the president of the local board of health, not for reasons of economy but because

the council does not approve of the appointments made by the director of health. The two cases cited, however, may be considered extreme and not general, but it is believed that these numerous and vexatious questions of jurisdiction and finance could be entirely eradicated and sanitation much improved throughout the islands if a greater degree of insular control obtained.

Since my last report the railway line in Panay has been completed between Capiz and Iloilo and a large territory preeminently adapted to the raising of rice has been brought into close contact with the markets and centers of consumption.

The administrative review of the minutes of provincial boards and through them those of municipal councils has continued and the results in promptly correcting illegal legislation and inducing the repeal of that which seemed unwise and inadvisable has made for increased efficiency throughout the service.

PROVINCIAL FINANCES.

In view of the inauguration of the new system of accounting in the provinces by the insular auditor, complete data are not now available as to provincial receipts and disbursements. The matter will, I understand, be treated in detail in the insular auditor's report.

Interest-bearing deposits by provinces in commercial banks have somewhat increased, the amount on June 30, 1910, being ₱3,089,500, as compared with ₱2,925,500 on June 30, 1909, interest accruing to the provinces concerned being ₱102,348.10.

The average balance of deposits is such that it is believed the question might be considered with propriety of securing legislation enabling the loan of a reasonable amount of this money to provinces and municipalities for much needed public works under proper guarantees as to repayment.

Under the provisions of Act No. 1979, the Governor-General, upon the request of the provincial boards, extended the period for the collections of the 1910 land tax, without penalty, to August 31, 1910, in the provinces of Albay, Ambos Camarines, Antique, Bataan, Batangas, Bohol, Capiz, Cavite, Cebu, Ilocos Sur, Iloilo, Leyte, Misamis, Nueva Ecija, Oriental Negros, Pangasinan, Sorsogon, Surigao, Tarlac, and Tayabas.

No action was taken by the provincial boards of Agusan, Bulacan, Cagayan, Ilocos Norte, Isabela, La Laguna, La Union, Mountain Province, Rizal, and Zambales.

The provincial boards of Occidental Negros, Pampanga, and Samar passed resolutions declining to accept an extension.

No remissions of land tax either in whole or in part were granted during the year.

The present municipal fiscal year is January 1 to December 31, while that of the provinces is July 1 to June 30. The question of making the provincial year coterminous with the municipal has been the subject of some correspondence between this office and that of the Bureau of Insular Affairs, and it is hoped that the change may be authorized.

The most urgent reason for making the provincial fiscal year January 1 to December 31 is the greater statistical value the annual reports will have.

The land tax, which is one of the greatest single sources of revenue accruing to the provincial general fund, is payable within a period of three months during the calendar year, to be fixed in case of each province by the Governor-General upon recommendation of the provincial board. Of the 33 provinces in which land tax is collected, the regular period for payment in 30 is March, April, and May. In the remaining 3 it is July, August, and September. Thus it will be seen, for instance, that the land tax for 1910 will be paid in some provinces before June 30 and in others after June 30, and, furthermore, that the tax paid in one province in one year before June 30 may be paid in the same province in a succeeding year after June 30.

It is plainly obvious, therefore, that statistics based upon a year terminating June 30 can not show the amount of land tax collected for any one tax year and that a comparison of the collections for one fiscal year terminating June 30 can not be of great value, as, owing to extensions of time for payment, one fiscal year may show a collection ridiculously small and the succeeding fiscal year a collection abnormally large, due altogether to the fact that an extension of time for payment has thrown the period for collection out of one fiscal year into the next, which shows not only the collection for the preceding year but also the current one.

If the year reported upon was a year terminating December 31 all trouble in this respect would be avoided, as, whatever the period of time fixed for payment of the tax, it would surely fall within the calendar year and thus a statement for the year terminating December 31, 1910, would show the land tax collected for 1910 and not for parts of two different years, as would a statement for the year ending June 30, 1910. The figures would thus become valuable not only as showing the actual annual amount of this tax but also for the purposes of comparing one year with another. As an illustration, the annual report for the fiscal year ended June 30, 1910, does not show the full land tax collected for the tax year 1910, but only a portion of it, the remainder to appear in the report for the fiscal year to end June 30, 1911.

These same remarks also apply to cedula and other taxes.

MUNICIPAL GOVERNMENT FINANCE AND TAXATION.

The municipal fiscal year is the calendar year, and under the above heading this report covers the period January 1 to December 31, 1909. The total receipts from all sources accruing to municipal governments throughout the islands during the year ended December 31, 1909, exclusive of the city of Manila, were ₱6,205,997.46, of which ₱6,073,565.84 was revenue and ₱132,431.62 was from loans, gifts, and other sources not revenue. The balance of ₱191,644.88, shown in the totals of the auditor's report, are bookkeeping entries required to effect transfers from one fund account to another, and if not eliminated in this report would show an inflated total of receipts.

This amount was distributed as follows:

	General fund.	School fund.	Cemetery fund.	Total.
Revenues.	₱4,556,337.96	₱1,504,149.68	₱13,078.20	₱6,073,565.84
Sources not revenue	33,293.97	99,137.65	.....	132,431.62
Total	4,589,631.93	1,603,287.33	13,078.20	6,205,997.46

On January 1, 1909, there were balances on hand as follows: General funds, ₱1,258,091.32; school funds, ₱1,021,852.53; and cemetery funds, ₱30,508.60, making a total available for expenditure for the fiscal year 1909 of ₱5,847,723.25 in the general fund, ₱2,625,139.86 in the school fund and ₱43,586.80 in the cemetery fund, or a grand total available for municipal expenditures of ₱8,516,449.91.

The average rate of taxation for municipal governments for 1909, the highest for any year since American occupation, was ₱0.795 per capita, based on the census of 1903.

Although the actual revenues were ₱584,429.70 in excess of the revenues for the preceding fiscal year and considerably in excess of the revenues accruing for any previous year, they are entirely inadequate for the proper conduct of municipal affairs. Indeed, were it not for liberal direct appropriations and allotments made by the Legislature and the extremely liberal policy of the insular government in undertaking projects of permanent road and bridge construction and the sinking of artesian wells and the payment of the greater part of teachers' salaries from insular funds, the wonderful advancement along these lines would have an entirely different aspect.

There was expended from municipal general funds during the year ₱1,167,793.96 for salaries of officials, including fees paid to justices of the peace; ₱648,870.53 for salaries and wages of employees, exclusive of those engaged on public works; ₱868,451.32 for salaries of police; ₱794,580.46 for construction and maintenance of public works, and ₱787,176.75 for miscellaneous administrative purposes. There was transferred to the municipal school fund ₱177,613.10 and to the city of Baguio ₱6,185.04, and ₱46,258.92 was repaid on loans. The total expenditures and transfers to other funds were ₱4,510,788.21, leaving a balance of ₱1,350,966.82 on hand December 31, 1909.

The expenditures from the municipal school fund were ₱1,124,603.18 for salaries of teachers, janitors, etc.; ₱306,045.97 for construction and maintenance of school buildings, and ₱165,113.29 for supplies and incidentals pertaining to school work, making a total expenditure of ₱1,595,762.44, and leaving a balance on hand December 31, 1909, of ₱1,226,990.52.

Under the provisions of Act No. 1458, as amended, proceeds realized from the sale of cemetery lots in a municipal burial ground or cemetery are required to be deposited in the municipal treasury and may be expended only for the purpose of keeping in order, improving, and embellishing said cemetery.

The collections from this source during the year were ₱13,078.20 and the expenditures ₱11,217.41, leaving a balance unexpended of ₱1,860.79, which, added to the balance of ₱30,508.60 carried forward from the previous year, make a total of ₱32,369.39.

The balances in both the general and school funds on December 31, 1909, were large, but are explained by the fact that, as the bulk of the municipal taxes accrue and are paid in May of each year, the amount really represents the reserve necessary to carry on the work of the municipalities for the first four months of the new year and until the taxes for that year can be collected.

Of the ₱4,510,788.21 general fund expenditures during the year, 61 per cent was paid out for salaries, 18 per cent for public works and improvements, 6 per cent for office furniture and supplies, 10 per cent for street lighting and cleaning, rents, and other miscellaneous and incidental expenses of administration, and 1 per cent for repayment of loans, while 4 per cent was transferred to school funds. As stated in the annual report for last year, salaries continue to be the largest item of expense, but the following facts should be given due weight when considering the statistics from which these data are obtained. The rate of municipal taxation is ridiculously low, and the salaries of municipal officials and employees are even more so, compared with the constant attention to official duties required of them. It appears, then, that the only reasonable solution would be at the proper time to provide for more local taxation, thus leaving a wider margin for municipal public works. This is not deemed advisable at this time, as the policy now being pursued is to have all public works possible under the direct control of the bureau of public works, which maintains a standard type of road and bridge construction and a corps of expert engineers to prosecute this work systematically throughout the islands, the experimental stage of road and bridge construction adapted to the country having passed. Individual municipal governments have not and can not maintain such a corps of experts, nor have they as yet gained sufficient experience in such work to enable them to successfully expend large sums annually for these purposes without the aid of persons of experience. Every kilometer of road or bridge constructed from funds of the insular or provincial governments outside the city of Manila is within the jurisdiction of some municipal government, and although no revenues obtained from local municipal taxation are expended on them and they are known as insular or provincial projects, they are, for all practical purposes, local public improvements from which the people of the municipality receive almost the entire direct benefit. Considering these points, the difference between the percentage of municipal revenues expended for salaries and that for public improvements is not so striking.

LOANS TO PROVINCES AND MUNICIPALITIES.

Loans to provinces and municipalities have continued and have enabled the immediate construction of bridges, municipal markets, and public buildings that would otherwise have been long delayed, if not impossible.

On June 30, 1910, the outstanding loans to provincial governments amounted to ₱631,000 and to municipal governments, ₱239,000, a total of ₱870,000.

CREATION OF NEW MUNICIPALITIES.

There were during the fiscal year 24 municipalities created by separation from other municipalities and 1 was abolished by annexation to another.

NATIONALITY OF OFFICIAL PERSONNEL: PROVINCIAL GOVERNMENTS.

The following table shows the nationalities of provincial officials in office on June 30, 1910, and the number of provinces and the percentage of total of American and Filipino provincial officers:

Provincial officers.

	Ameri- cans.	Filipinos.	Total.
Governors.....	6	32	38
Lieutenant-governors.....	6	7	13
Treasurers.....	22	5	27
Secretaries.....	1		1
Secretary-treasurers.....	2	1	3
Supervisors.....	1		1
Third member, provincial boards.....		31	31
Fiscals.....	1	25	26
Total.....	39	101	140

Provinces organized under Act No. 83.....	32
Provinces organized otherwise.....	6

Total number of provinces..... 38

Percentage of total.

Americans.....	27. 86
Filipinos.....	72. 14

MUNICIPAL GOVERNMENTS.

The number of municipalities, townships, and settlements on June 30, 1910, and of municipal and township officers, and the percentage of the total of American and Filipino municipal and township officials are shown in the following table:

Municipal and township officers.

	Ameri- cans.	Filipinos.	Total.
Presidents.....	5	784	789
Vice-presidents.....	3	786	789
Secretaries.....		636	636
Treasurers.....		636	636
Secretary-treasurers.....	1	152	153
Councillors.....	15	6, 921	6, 936
Justices of the peace.....	16	691	707
Auxiliary justices of the peace.....	2	635	637
Notaries public, appointed by the courts, including Manila.....	60	1, 176	1, 236
Total.....	102	12, 417	12, 519

Municipalities.....	707
Townships.....	82
Settlements.....	228
Total.....	1, 017

Percentage of total.

Americans.....	0. 81
Filipinos.....	99. 19

The following table is a comparative statement of the percentage of the total of American and Filipino provincial and municipal officers, from 1903 to 1910:

Years.	Provincial officers.					Municipal and township officers, including justices and notaries public.				
	Americans.		Filipinos.		Total number.	Americans.		Filipinos.		Total number.
	Number.	Percentage.	Number.	Percentage.		Number.	Percentage.	Number.	Percentage.	
1903.....	86	26.54	238	73.46	324	24	0.17	14,102	99.83	14,126
1904.....	87	37.82	143	62.18	230	44	.39	11,289	99.61	11,333
1905.....	80	24.60	246	75.40	326	58	.50	10,725	99.50	10,783
1906.....	60	24.69	183	75.31	243	68	.63	10,774	99.37	10,842
1907.....	50	34.25	96	65.75	146	88	.77	11,350	99.23	11,438
1908.....	49	32.66	101	67.34	150	82	.69	11,760	99.31	11,842
1909.....	47	31.54	102	68.46	149	81	.66	12,275	99.34	12,356
1910.....	39	27.86	101	72.14	140	102	.81	12,417	99.19	12,519

OFFICIAL GAZETTE.

The arrangement mentioned in my last report covering the publication of the English and Spanish editions of the Official Gazette continues.

PUBLIC DOCUMENTS.

The number of acts passed by the Philippine Legislature and Philippine Commission was smaller than for the preceding year, causing a considerable decrease in the number of documents distributed. A total of 625,361 printed documents were received from Washington and the bureau of printing in Manila, and 537,823 were distributed. The number of documents on hand at the close of the year was 1,301,264.

DIVISION OF LEGISLATIVE RECORDS.

The annual report of the secretary of the Commission, who is by law chief of this division, contains full information of the work of the Legislature.

DIVISION OF ARCHIVES, PATENTS, COPYRIGHTS, AND TRADE-MARKS.

This division continues under the immediate supervision of the second assistant executive secretary and its importance is constantly increasing. During the year the work of examining and systematizing the old Spanish state records stored in other government buildings was begun. Much information regarding land titles has been gained, which is of great value to the various offices that deal with real estate questions and to the courts. When it is considered that each of the smaller provinces has not less than 50 government buildings and the larger at least 100 within its boundaries and that it is now doubtful to which division or branch of the government the vast majority of them properly belong, the importance of this work becomes apparent. Another important function of this division is the registration of cattle brands, of which 30,000 were recorded during the year.

The registration of patents, copyrights, and trade-marks showed a gratifying increase for the year, while 74 new stock corporations and 29 nonstock associations filed articles of incorporation and 19 foreign corporations obtained license to operate in the Philippine Islands. This is nearly double the number of the year before and is a gratifying index to increased business activity.

The total pay-roll expense of the division was ₱21,863.30, including all the salary of the second assistant executive secretary, and its receipts ₱11,973.80, an increase of ₱2,000 or 20 per cent over the last year.

TRANSLATING DIVISION.

The amount of translation made into English, Spanish, French, German, and other European languages and local dialects was considerably smaller than during the year before, amounting to only 12,152 folios. In view of the decrease in the work in this division four of its regular employees, with salaries amounting to ₱8,960 per annum, have been allowed to resign or transfer to other bureaus and these vacancies have not been filled.

The number of newspapers received and reviewed was 3,823.

Interpreters have been furnished by the division to assist at meetings of the joint legislative committee, committee on geographical names, irrigation committee, and for interviews by members of the Commission and heads of executive departments. On several occasions, also, interpreters have been furnished the courts.

RECORDS DIVISION.

The number of written communications received in this division for record was 144,807, an increase of more than 10 per cent over the preceding year. The overtime performed by this division amounted to 11,186 hours. The briefing and indexing in this work required 473,232 cards.

Due to the decreased number of publications sent out, there were mailed by the mailing section only a total of 670,472 communications and documents, 485,471 less than for the year before.

TOUR OF DUTY IN BAGUIO.

On March 12-13, 1910, the greater portion of the personnel was moved to Baguio. A large, comfortable edifice, known as the administration building, served as an office building for the Governor-General, heads of executive departments, commissioners, and the executive bureau. During the special session of the Legislature, which was held at Baguio, this building also afforded room for the meetings of the Philippine Assembly and for offices of the assembly committees.

The bureau remained at Baguio until June 9-10. It is believed that the change was of great value to the employees, most of whom gained in weight and energy.

As this was the first time that any large number of employees from this bureau had been sent to Baguio, the result was highly satisfactory, and it is intended next year to transfer practically the entire force to Baguio, a plan being in contemplation for the transfer

and satisfactory handling of all the necessary bureau records while there.

The fact itself of being stationed at Baguio reduces the work of the bureau remarkably. Being the principal point of contact between the government and the people, we are constantly approached by persons with complaints, petitions, or requests for information, each one of which takes time to handle. When the bureau is in Manila it is easily accessible; in Baguio not nearly so much so. The result is that people do not approach us there except with matters of considerable importance. Minor troubles are held to be brought up on our return, and, like minor ailments of the human body, they cure themselves before the doctor's office is reached. The reduction is nearly 30 per cent of the work of the bureau.

BUREAU PERSONNEL.

There have been no changes in position of the officials of the bureau. Among the employees there were 36 appointments, including reinstatements and transfers, and 44 separations by resignations, transfer, or removal. There was a net decrease of 8 in the number of officials and employees, which consisted on June 30 of 32 Americans and 112 Filipinos. Of this number 28 are temporary employees. There has been a decrease of 3 American and 5 Filipino employees.

The monthly salary pay roll was on July 1, 1909, ₱22,932.89, and on June 30, 1910, ₱22,465.47.

Every effort consistent with safety has been made to reduce the amount of paper work performed by the bureau. But, as will be seen by reference to the figures under the heading "records division," the work is constantly increasing.

In order to meet such increase a large amount of overtime has been required of the bureau force, which has responded promptly and uncomplainingly at all times to the many extraordinary demands made upon it.

Respectfully submitted.

THOMAS CARY WELCH,
Acting Executive Secretary.

The GOVERNOR-GENERAL,
Manila, P. I.

REPORT OF THE SECRETARY OF THE INTERIOR.



LIEUT. E. Y. MILLER, U. S. ARMY, LATE GOVERNOR OF PALAWAN, AND SON OF DATO BATA-RASA.

REPORT OF THE SECRETARY OF THE INTERIOR.

DEPARTMENT OF THE INTERIOR,
Manila, P. I., October 31, 1910.

GENTLEMEN: I have the honor to present the ninth annual report of the department of the interior, which, unless otherwise expressly stated, covers the year ended June 30, 1910.

WORK FOR THE NONCHRISTIAN TRIBES.

THE DEATH OF GOV. E. Y. MILLER.

The special provincial service and the work for the non-Christian inhabitants of Palawan have suffered an irreparable loss in the death of Lieut. E. Y. Miller, United States Army, governor of the province of Palawan, who, while in the discharge of his duty, was drowned in the Aborlan River on May 27, 1910. He had served as governor of Palawan nearly five years. This province includes some 358 islands, of which the main one is 240 miles in length. It is covered through the greater part of its extent with virgin forest, is without roads, and almost without trails. It is inhabited by Negritos, Tagbanuas, and Moros, in addition to its limited Christian population. The Moros are, for the most part, renegades from Jolo, Tawi Tawi, Cagayan de Jolo, and Borneo, who have offended against Moro law, and have in the past shown themselves to be especially treacherous and dangerous.

Governor Miller was a man of tireless energy and indomitable courage. His heart was in his work. That portion of it which was carried on among the Moros was not infrequently conducted at imminent peril to his life, but he pushed it through to a successful issue, establishing an extraordinary personal influence over these people, many of whom undoubtedly entertained for him a feeling of genuine regard. At the time of his death he was very actively prosecuting measures for the improvement of the condition of the Tagbanuas.

He was equally happy in his dealings with the considerable Christian population of the Cuyos and Calamianes Islands, which form a part of Palawan. Among the Christian Filipinos he enforced, both by precept and example, the lesson that hard, honest work is honorable.

Governor Miller's place can not be really filled until some other man has acquired knowledge which is attainable only through long years of experience. His death seems most untimely, yet his friends can rest assured that had he foreseen the end from the beginning

he would never have faltered in his work, but would have preferred to face certain death with a record of important results achieved, rather than to have been assured of a long and useless life. If his work is continued, as it will be, it will not have been done in vain. May its results ever stand as a monument to his sound judgment, his steady courage, his dogged perseverance, and his rugged integrity.

VISITS OF THE GOVERNOR-GENERAL AND SECRETARY OF WAR TO THE MOUNTAIN PROVINCE.

The Governor-General has three times visited the wild man's territory in northern Luzon during the year, having made a trip with Governor Pack from Baguio through Benguet and Lepanto to Bontoc and return; having then accompanied me on my long annual inspection trip through Nueva Vizcaya, Ifugao, Bontoc, and Kalinga, and having finally conducted the Secretary of War from Tagudin through Amburayan and Lepanto to Bontoc and back to the coast. The visits of the Governor-General and of the Secretary of War and his party, and the appreciation which those officials showed of the work which has been accomplished, will inevitably result in much good. They served greatly to encourage Governor William F. Pack and his subordinates, whose work has been carried on in the face of many discomforts, not a few serious dangers, and all the drawbacks incident to extreme isolation. Knowledge gained on the spot by these visiting officials can not but be of practical value to them in the discharge of their duties relative to the government of the territory visited and in their understanding of what is being done there.

PROGRESS DURING THE YEAR.

The work for the control and advancement of the wild tribes of northern Luzon, northern Mindanao, and Palawan has progressed steadily during the year. The only serious interruption was that due to the death of Governor Miller, and the state of public order among the several tribes has left comparatively little to desire.

THE SITUATION IN IFUGAO AND KALINGA.

No heads have been taken during the year among the 117,000 Ifugaos, and very few among the Igorots or the Kalingas. Governmental control has been rapidly extended over the Kalinga settlements, although Lieutenant-Governor Hale has been repeatedly warned that if he attempted to go to certain settlements his head would be taken. In such cases he has visited the obstreperous settlements at the earliest possible opportunity, often taking no other escort than a few of his own Kalinga policemen. In several instances spears have actually been thrown at him, but he has displayed admirable courage in dealing with the troublesome situations thus created and has succeeded in establishing friendly relations with such settlements and in gaining a reasonable degree of control over their inhabitants.

THE SITUATION IN APAYAO.

As stated in previous reports, the situation in Apayao is an especially difficult one, owing to the fact that head-hunting is intimately connected with certain religious beliefs of the wild Tinguians who inhabit this subprovince. Lieut. Gov. Blas Villamor, with the effective assistance of the constabulary, has succeeded in considerably extending governmental control over the settlements of Apayao and in apprehending a number of murderers who had taken part in head-hunting expeditions. There still remains a considerable area where effective government control has not been established, although it is now possible to enter even this region and to apprehend people who have been guilty of especially atrocious crimes without encountering active opposition.

THE SITUATION IN THE ILONGOT COUNTRY.

The Ilongots of Nueva Vizcaya are the most troublesome and untrustworthy of all the tribes of northern Luzon. There are probably not more than five or six thousand of them in all, but they inhabit a vast region, much of which is very mountainous, and almost all of which is covered with virgin forest. Many of them give signs of a large admixture of Negrito blood, and have, to a considerable degree, the wandering habits of the people of the latter tribe, so that their settlements are often of a very temporary nature. These facts combine to make the Ilongots excessively difficult to get at. Governor Bryant has displayed great energy in getting into touch with them, and has made on foot long journeys, involving many hardships, through their country. Lieut. Wilfrid Turnbull, of the Philippine constabulary, spent a long time among them in the vicinity of the place where Dr. William Jones was murdered by them last year. An assistant to Governor Bryant has been appointed for work among Ilongots in the vicinity of Baler. A good horse trail has been constructed to Campote, and a government "exchange," or shop, has been established at that place, where an industrial school already existed. Some progress has been made in persuading the Ilongots to come in and form larger settlements, and an effort is projected to persuade them to extend their cultivation of the soil, with a view both to increasing their food supply and to rendering their settlements more stable. They will be less likely to change residence so frequently when they have once established plantings of cacao, coffee, and coconuts. While there has doubtless been warfare between isolated settlements of Ilongots which has never come to the knowledge of the authorities, not a single case of attack by them upon Americans or Christian Filipinos has been reported during the year, and the inhabitants of the most remote and isolated settlements are getting over the fear which they displayed when first visited by representatives of the government.

THE SITUATION IN PALAWAN.

In Palawan the establishment of an industrial school at Aborlan, and the action of a Tagbanua chief of high rank in transferring his residence to that place and in persuading his people to do likewise,

are resulting in the building up of an important center for effective work for the benefit of the people of this tribe, while the appointment of an assistant to the provincial governor, with headquarters at Sir John Brook's Point, and the establishment of a scout garrison at that place, have made it possible to begin to protect the Tagbanuas inhabiting the interior of southern Palawan from the neighboring renegade Moros, who have heretofore enslaved many of them, and have either robbed the others of their products outright or compelled them to sell at ridiculously low prices.

The Moro population of this island is chiefly composed of renegades who have been driven out of Jolo, Tawi Tawi, Cagayan de Jolo, North Borneo, and the islands which lie between North Borneo and Balabac by their own people because of offenses against Moro law. They are regarded as criminals even by the Moros themselves, because of infractions of the rules and customs of their own tribe. With few and insignificant exceptions, they do not practice agriculture, but depend for a livelihood on fishing, thieving, and such products as they can obtain by oppressing the Tagbanuas. This criminal population has been steadily growing, especially on the west coast of the southern third of Palawan, where the settlements are, for the most part, some distance inland on small and shallow rivers, so that access to them is difficult. Under existing provisions of law, the provincial governor may, with the approval of the secretary of the interior, require members of non-Christian tribes to take up their residences at places designated by him, if such a course is deemed to be in the interest of public order. Shortly before his death, Governor Miller recommended the transfer of the people of some of the worst of these settlements to sites on the east coast of Palawan in the territory controlled by Datto Bata-rasa.

Governor Miller had a very strong personal influence over the unruly Moro population, both on account of the kindness and justice with which he always treated them, and because of the courage and energy which he displayed on the few occasions when they offered armed resistance to his authority. It was feared that his death, just at the time when he was carrying out active measures to bring them under more effective control, would lead to untoward results, and I, therefore, myself proceeded to their territory as promptly as possible, accompanied by Mr. John H. Evans, the newly appointed acting governor, and an escort of 30 scouts, commanded by Capt. D. J. Moynihan.

Datto Pula, whose people, including his own brother, had committed atrocious murders, and had, in consequence of their disorderly conduct been ordered to take up their residence under Datto Bata-rasa, failed to obey the order until four days prior to my arrival, and promptly after my departure returned to his old haunts. He has been apprehended, and is now in jail at Puerto Princesa awaiting trial.

I found that the people of Dalahican, on the island of Pandanan, had committed five brutal murders within a short time, and that the place had become a resort of pirates and smugglers. Most of the men concerned in the murders were arrested, and the remaining inhabitants were compelled to move to a new site in Datto Bata-rasa's territory.

Datto Tamay, at Culasian Bay, has always been a bad character. Some of his people, in 1904, murdered the sentinels guarding a boat which contained a large number of rifles belonging to the members of the scout company then stationed in Palawan, and got away with the firearms, with which they subsequently twice fought Governor Miller and detachments of scouts. They were badly whipped, and most of the guns were recaptured. Tamay behaved well for a while, but latterly had become insolent, and had twice assumed a very threatening attitude when Governor Miller visited him without an armed escort. As a result, Governor Miller had ordered him to transfer his residence to the east coast. I was not aware of this fact at the time we landed at Culasian Bay, but on account of Tamay's previous bad record took ashore 25 scout soldiers commanded by Captain Moynihan. We were met by a delegation of Moros who professed friendship, but upon our discovering that they had concealed weapons close at hand, a number of them, including men concealed in neighboring houses, attempted to attack the guard, who promptly fired, killing four and wounding others. A successful effort was made to hold 11 individuals until the firing was over. They were then placed at liberty, instructed to tell Datto Tamay exactly what had happened, and to convey to him instructions to proceed to Datto Bata-rasa's residence at Bonobono and explain the conduct of his people. He was further advised that if he did not obey I would send to get him.

I greatly regretted this incident. In my 15 years of experience with the wild tribes of these islands I have never fired a shot, nor had any member of one of my parties or its escort ever previously done so. Indeed, it is my custom to travel without escort. The occurrence was, however, unavoidable, and, on the whole, perhaps not unfortunate, as it opened the way for the taking of energetic measures to end the evil deeds of Datto Tamay and his men, and for the bringing of them under effective government control.

At Iran Bay, three large Moro smuggling boats from north Borneo were seized and their contents confiscated.

Persuaded by Datto Bata-rasa, Datto Tamay promised to come in as directed, but when on his way was met by Dattos Itom and Pula, who made promises of assistance in fighting the Americans and persuaded him to turn back.

One hundred scouts were consequently sent to Culasian, 50 of them crossing the island from the east, and the other 50 going by sea. They had strict orders to refrain from firing when there was danger of killing women or children, unless absolutely compelled to do so in self-defense, and to be especially careful not to hurt any Tagbanuas, as the Moros had frightened the people of this tribe with tales of the atrocious abuses which the soldiers would be sure to commit. Meanwhile, the three Moro chiefs had quarreled among themselves, and Datto Pula had been apprehended.

The officers and men of the scout expedition showed admirable self control, repeatedly refraining from firing on account of the risk of hitting women and children, whom the Moros used to protect themselves in their flight. With practically no bloodshed the expedition accomplished all that was expected of it, capturing or completely scattering the forces of the recalcitrant dattos.

THE SITUATION IN MINDORO.

In Mindoro work during the year has been largely confined to the reorganization of the Christian settlements, and to a determined effort to put them into good sanitary condition, which, I am glad to report, has resulted most successfully. Cholera appeared in the province, and, as it happened, in the very settlement in which the people had passively resisted our efforts in their behalf, and had been slow in cleaning up their town. This fact was not lost upon them, or upon their neighbors, and served to emphasize the warning I had previously given them that cholera would be likely to attack them if they did not clean up. The excellent condition of the neighboring towns rendered it easy to prevent the spread of the disease, which was kept strictly confined to Naujan.

It is an interesting fact that prior to the inauguration of this sanitary campaign a settlement populated exclusively by wild people of the Mangyan tribe was the cleanest, best drained, and most sanitary place in the province.

During the coming year I shall endeavor to secure the taking of active steps toward the establishment of friendly and helpful relations with the wild Mangyans of the interior of Mindoro, who are still practically unknown. Although they are a very primitive people they are peaceful, and the chief difficulty which must be overcome in connection with efforts for their advancement will, it is believed, be the one involved in establishing lines of communication into their territory.

THE SITUATION IN BUTUAN.

The province of Agusan is composed of two subprovinces, Butuan and Bukidnon. The subprovince of Butuan includes the greater part of the Agusan River valley. Much of its territory is low-lying and heavily forested, and it is traversed by a wonderful series of waterways. It has a small Christian population, but the bulk of its inhabitants are divided between three tribes—the Negritos, the Manobos, and the Mandayas. The Mandayas are most numerous along the upper river in territory which really belongs to the Moro Province. Until within a very short time that province had not been able to occupy it, much less to establish effective control over it. Recently a small garrison has been established, but great difficulty is experienced in supplying it.

Now, that we have discovered a launch channel through the extensive submerged area formed a few years since by a severe earthquake, this territory, if added to the subprovince of Butuan, would have direct water communication with the capital down the Agusan River. Indeed, practically all of its communication with the outside world is now necessarily had along the Agusan River down which must be shipped its products. I have personally visited the region and the governor of the Moro Province has promised to do so. We shall then confer and be prepared to make final recommendation to the Commission relative to the allotment of this territory between the Moro Province and Agusan.

Governor Frederick Johnson and the men under him have labored tirelessly during the year. The province is now operating two large launches on the river, and has established government "exchanges"

at a number of important points. The result has been tremendously to stimulate commercial development, especially on the Upper Agusan and its side branches. The effect on public order has been most fortunate. People who are busy growing and stripping hemp have little time for murder and head-taking. It is a significant fact that the nature of the transportation business on this river has undergone a complete change. Formerly it consisted largely in carrying vino (a strong alcoholic drink) upstream. Now it consists in carrying rice, canned goods, kerosene, and cotton goods upstream and hemp downstream.

In the trackless forest of Butuan there still remain a few small settlements of wild people which have never been visited by a white man, but their number is steadily diminishing. Isolated houses, surrounded by cultivated fields, may now commonly be seen along the river banks in country where a few years since the people did not dare to live outside their villages for fear of their enemies.

In this subprovince the consummation sought is being gradually but steadily attained. If the well-disposed will but settle along the rivers, it will be a relatively easy matter to protect them from the lawless.

Physical conditions in the subprovince of Bukidnon are radically different from those which exist in Butuan. Much of its territory is in the form of almost level table-lands, sloping very gradually from 900 to 3,000 feet above sea level, and deeply eroded by numerous streams. In many instances the plains are almost treeless. It is an ideal cattle region. Its streams are boisterous and are not navigable for craft of any sort. Its population is made up almost exclusively of members of the Bukidnon tribe, although there are a few Manobos and a very few Christian Filipinos. Nowhere in the Philippines has the civilization of a non-Christian people progressed so rapidly under American rule as here. The settlements are models of cleanliness, and the state of public order has continued most satisfactory, in spite of the efforts of evil-minded persons in the neighboring province of Misamis to disturb it. There have been several incursions of marauding Moro bands from the southwest, but they have been promptly checked by the effective work of the Philippine constabulary.

At the time of my last report, the work of the constabulary in this subprovince was unsatisfactory, this condition being doubtless due to the personal attitude of an officer who has since resigned. It has now completely changed.

It is probably true that in no part of the Philippine Islands were members of the non-Christian tribes so robbed and oppressed as were the Bukidnon people, prior to the establishment of a special government for their protection. They are comparatively industrious, and bring down to the coast hemp, cacao, and coffee in considerable quantities. Formerly they also brought out a good deal of gutta-percha. These products they were compelled to sell to the Christian Filipinos at prices fixed by the latter, to whom this arrangement was most advantageous. It was to be anticipated that measures which resulted in freeing the people whom they had so long oppressed would meet with their most bitter and determined opposition. This expectation has been fully realized. During a period of more than two years I dealt very gently with those who sought to destroy the

government of the subprovince or to render it ineffective, but their persistent efforts in this direction ultimately had the effect of bringing Lieutenant-Governor Frederick Lewis, who was the special object of their malevolence, to the verge of a physical breakdown, and in several instances caused the sudden and otherwise unexplainable migration to the neighboring mountains of hitherto quiet and peaceful residents of settlements. Although these people were ultimately practically all persuaded to return to their homes, their extraordinary action in temporarily leaving them caused uneasiness and even excitement among those who remained behind. Believing that this condition should not longer be allowed to continue, I proceeded to the capital of the province of Misamis and held a conference with some of the persons believed to be immediately responsible for it, and with the officials whose duty it was to end it. In the course of this conference I frankly informed those present that if there were not a prompt cessation of hostilities I should personally interest myself in active measures looking to the arrest and trial of those who were continuing seditious secret agitation. The result has been an apparent marked falling off in efforts to destroy the usefulness of this subprovincial government, and to involve in criminal and civil litigation Lieutenant-Governor Frederick Lewis, who has risked his life and sacrificed his health in behalf of his people, accomplishing results which have very rarely been equaled, and so far as my observation and knowledge go have never been surpassed under similar conditions.

THE DEVELOPMENT OF MEANS OF COMMUNICATION.

Road, trail, and bridge construction has been very actively pushed during the year both in Nueva Vizcaya and in the Mountain Province. In Nueva Vizcaya a good start has been made toward opening up the Ilongot country, into the heart of which trails will be pushed as actively as possible. In the Mountain Province there now exist some 730 miles of excellent low-grade horse trail. Narrow-tread carts are being run from Tagudin, on the coast, to Cervantes, the capital of the subprovince of Lepanto, and in a short time will be running into Bontoc, the capital of the Mountain Province. A new low-grade trail from Cervantes to Bontoc has been completed with the exception of two bridges. A line has been staked and cleared for a similar trail from Bontoc to connect with the Ifugao trail on the top of the Mount Polis range, and a considerable amount of construction work has already been done.

In the subprovince of Ifugao there were 20,000 road laborers available for 10 days' work each during the year. Old trails have been widened and improved, and there has been a large amount of new construction, including the opening up of a trail into the heart of the hitherto almost inaccessible Silipan district, and the completion of half of the work on a new trail through the equally inaccessible Asin region to Bugias in the subprovince of Benguet. The main line north through the Mountain Province has been pushed to a point more than three miles beyond Tabuc, in the subprovince of Kalinga, and during the present year should be extended well into the subprovince of Apayao. It is within the range of possibility that two years more may see a through route for horseback travel completed



CONFERENCE BETWEEN THE SECRETARY OF THE INTERIOR, THE GOVERNOR OF THE MOUNTAIN PROVINCE, THE LIEUTENANT GOVERNOR
OF THE SUBPROVINCE OF IFUGAO, AND THE HEADMEN OF THE DISTRICT OF QUIANGAN.

from Twin Peaks, in southern Benguet, to Claveria, at the extreme northern end of Luzon. Very great damage was done to trails throughout the Mountain Province by the destructive typhoon of October, 1909, and as repair of existing trails necessarily takes precedence over construction work, it was not possible to build as much new trail as had been planned. It is hoped, however, that some 300 miles can be completed in the Mountain Province during the fiscal year 1911.

Nothing has as yet been done in the way of trail construction in Apayao, and as soon as practicable efforts must be centered upon the opening up of a line of travel through this subprovince. Until this has been accomplished very rapid progress in civilizing its unruly inhabitants can hardly be anticipated.

In Mindoro road work has been pushed as rapidly as the very limited funds of the province would permit. No trail work has as yet been undertaken and efforts have been confined to the construction of good, permanent roads and bridges extending along the coast from the capital of the province.

In the subprovince of Bukidnon the people have cooperated actively with the lieutenant-governor in his efforts to improve their means of communication, with the result that a very large amount of road, trail, and bridge work has been done at extraordinarily low cost. In the subprovince of Agusan, work on the Cabadbaran-Butuan road, which is opening up a very rich agricultural region, has progressed slowly, and a new trail has been constructed from La Paz to Segunto and thence to Waloe, the first two settlements named being on the Adgauan River, and the last on the Umayam River. The effectiveness of the constabulary garrison at Waloe has been thus greatly increased.

THE DEVELOPMENT OF TRADE.

In my opinion the next important step we should take in stimulating the development of the hill tribes of northern Luzon is to develop trade among them as actively as possible.

In the past it has been necessary for the wild men to make long and tedious journeys to the coast towns in order to purchase the salt, cloth, steel, and other necessary articles which they themselves did not produce. The sudden change in climate involved in a rapid descent to the lowlands often made them ill. They were apt to drink too much strong liquor and to suffer in consequence, and were often badly imposed upon and made to pay many times what the articles, which they had purchased, were really worth.

With a view to remedying these conditions government "exchanges" have been started at Bontoc, Banaue, and Lubuagan in the Mountain Province, and at Campote, in Nueva Vizcaya. An effort is made to keep these stores supplied with the things the people in their vicinity most need. Sales are made at Manila prices plus 20 per cent and the cost of transportation. The 20 per cent is intended to cover dead stock and loss or injury to goods on the trail, and slowly to increase the capital of the exchanges.

The exchanges also buy basket-work, wood carvings, weapons, and articles of dress which can readily be sold as curios, paying a good price for them in cash. The vendor is left free in each case to keep

his money or to spend it, as he prefers. The wild men have been greatly pleased with this arrangement and the volume of trade is already considerable.

Thus far the exchanges have necessarily been operated under the immediate direction of lieutenant governors, and as these officers are obliged to be away from their home stations much of the time, the sales of the exchanges have at times been considerably hampered.

However, the Bontoc and Banaue exchanges have been quite successful.

It is evident that the proper development of the business of these exchanges and the establishment of new ones at points where they may be most useful necessitates the employment of a competent man who will visit the places in question, will familiarize himself with local needs, will study the Manila market and learn how to buy to the best advantage, will provide means of transportation, so that the exchanges can be kept constantly well supplied with goods, and will arrange for the sale in Manila of articles bought from the wild people.

I have indicated to the provincial board of the Mountain Province my desire that township and settlement funds be appropriated to pay the salary of such an employee.

In Agusan, under the capable supervision of Gov. Frederick Johnson, the exchanges, which in this instance are known collectively as "the Manobo stores," have already reached quite an advanced stage of development, and the result has been most satisfactory.

In Palawan an exchange has been started for the benefit of the Tagbanuas and Moros living near Sir John Brooks Point. It has been in operation but a short time. The present indications are that it will do a considerable business in the near future.

CONTROL OF THE NONCHRISTIAN TRIBES.

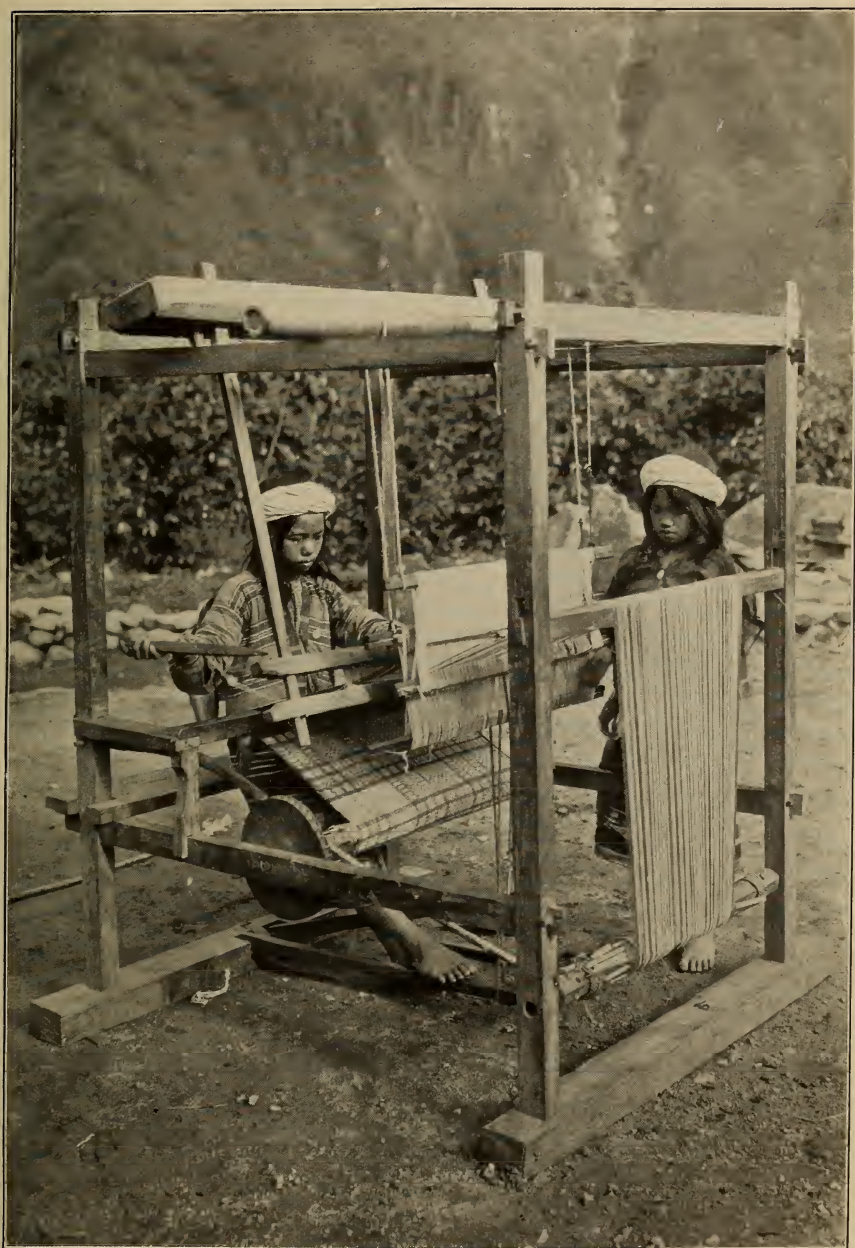
The demand of certain persons that the Filipinos, by which term I mean to designate the civilized and Christianized native inhabitants of these islands, be given control of the non-Christian tribes has been made so publicly and so persistently as practically to force its consideration at this time. During the visit of the Secretary of War it was voiced at Zamboanga. Later, at a public banquet in Manila, where political speeches were made, it was strongly insisted upon by a gentleman representing one of the great Filipino political parties.

REASONS FOR ITS PRESENT DISCUSSION.

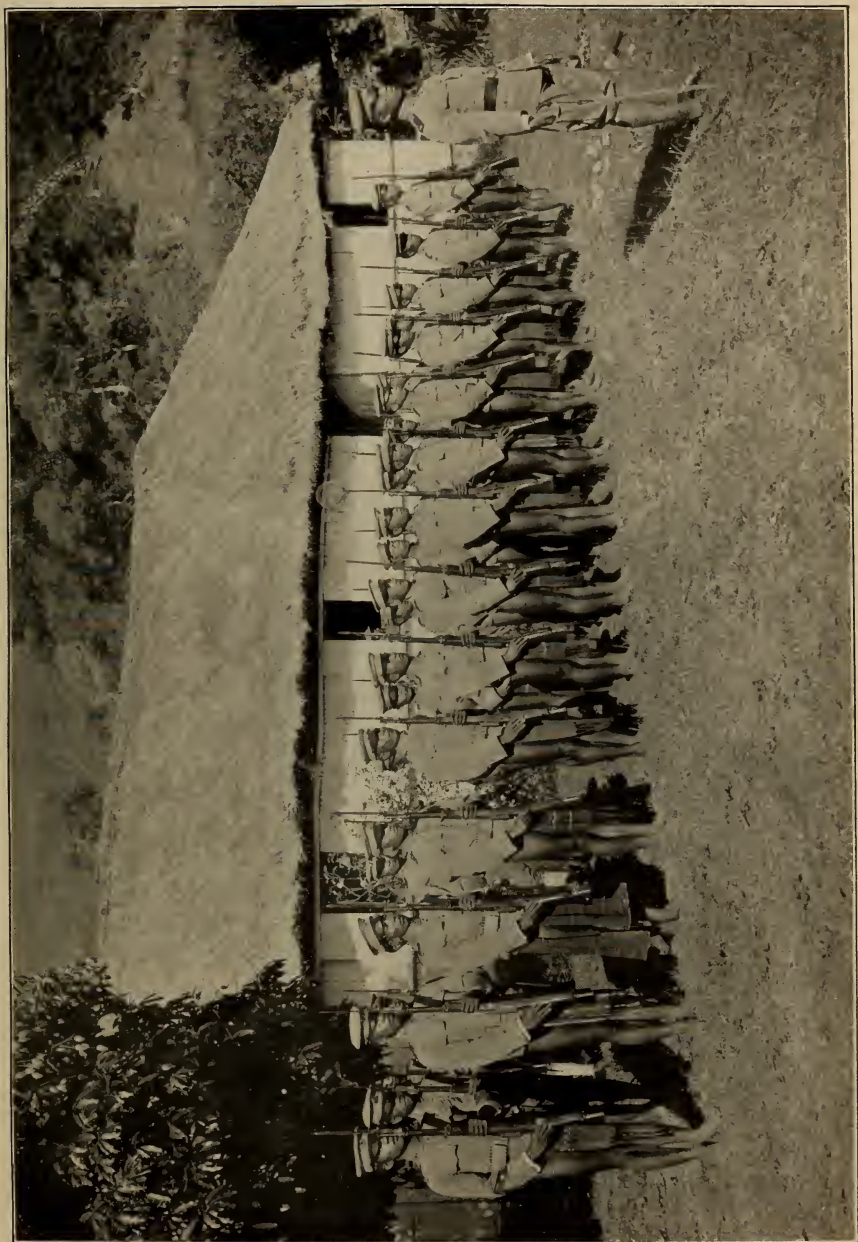
The temperate discussion of this demand, therefore, seems to me both opportune and necessary, especially as I myself have frequently been charged with, and criticized for, views concerning it which I have never expressed and do not entertain.

THE NATURE OF THE QUESTION INVOLVED.

At the outset it should be clearly understood that the question involved is not one of the fitness of the Filipinos to govern themselves, but is one of their ability and fitness to dominate, justly control, and wisely guide along the pathway of civilization alien peoples, some of whom are warlike.



BENGUET IGOROT GIRLS WEAVING.



BONTOC IGOROT CONSTABULARY SOLDIERS.



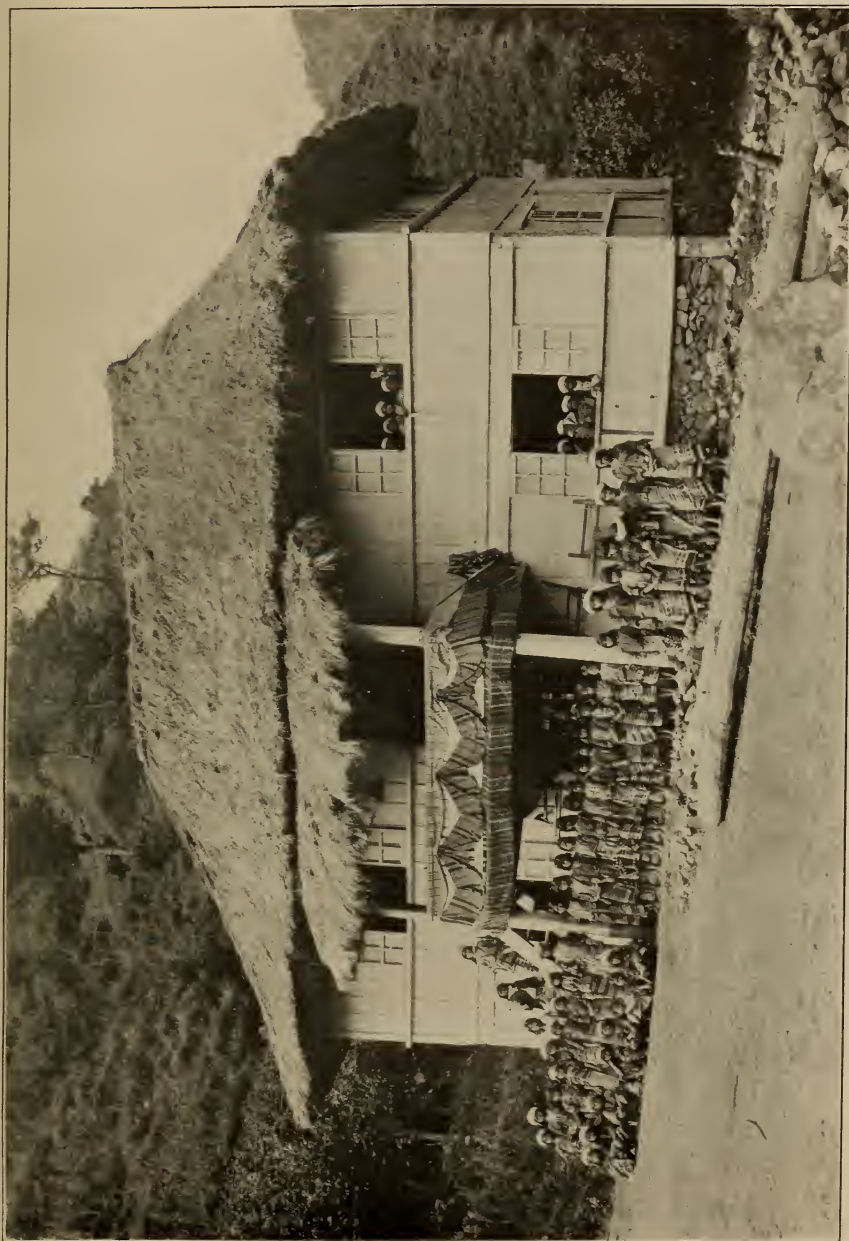
EVOLUTION OF A BONTOC IGOROT CONSTABULARY SOLDIER—1901,
WHEN HE WAS A HEAD-HUNTING SAVAGE.



EVOLUTION OF A BONTOC IGOROT CONSTABULARY SOLDIER—1902, AFTER
HE HAD BEEN FOR A YEAR IN CONTACT WITH AMERICANS.



EVOLUTION OF A BONTOC IGOROT CONSTABULARY SOLDIER—1903,
WHEN HE WAS A WELL DISCIPLINED AND COMPETENT SERGEANT
OF A COMPANY OF PHILIPPINE CONSTABULARY MADE UP OF HIS
FELLOW TRIBESMEN.



SCHOOLHOUSE BUILT BY BENGUET IGOROTS AT KABAYAN.

THE FILIPINOS AND THE NONCHRISTIANS DISTINCT PEOPLES.

It is true that the Filipino, the Igorot, and the Moro are of common racial origin, but so are the Anglo-Saxon peoples, and there exists between the Filipinos on the one side and the Igorots and the Moros on the other, far greater difference than those which distinguish the Germans, the English, and the Americans. Indeed, the width of the gap between the Filipino, whose Malayan blood has been profoundly modified by intermarriage with people of other races, and who has attained to a degree of civilization far above that ever reached by any other Malayan people, and the wild man of the Luzon mountains, with his pure blood, his magnificent physical development, and his primitive customs and instincts, is very great and is exceeded only by that between the Filipino and the Negrito, who stands close to the bottom of the human series.

The Moro is not only of a much later and far purer Malayan origin than the Filipino, but he is as well a Mohammedan, with all that fact implies.

THE FILIPINOS HAVE NO JUST CLAIM TO OWNERSHIP OF THE TERRITORY OCCUPIED BY THE WILD MEN.

So far as we know, the Negrito was the original inhabitant of the Philippine Islands, and he, therefore, has the only territorial rights in the Archipelago based on title acquired by other means than conquest or purchase. The wild man of the hills is the descendant of the Malay invaders, who drove the Negritos before them. His ancestors were, in turn, driven before the Moros, who were the latest and most warlike invaders to enter the Archipelago prior to the advent of the Spanish. The Filipino of to-day is the descendant of primitive peoples who were being conquered by the Moros at the time of the Spanish invasion, and of foreigners of various races who have intermarried with his ancestors. He has absolutely no equitable claim to the territory of the Moros, or to that of the wild hill tribes, which he has never inhabited or even temporarily occupied.

In asking that this territory and its people be turned over to him by the Americans he is presumably actuated purely by high motives and a desire to promote the social development and the material prosperity of the people concerned; but in making this claim, and at the same time denying the right of the Americans to control him and his territory with a view to promoting the same desirable ends, he places himself in a somewhat anomalous logical position.

ARE THE FILIPINOS ABLE AND FIT TO CONTROL THE NONCHRISTIAN TRIBES?

Having discussed the question of right, it remains for me to discuss the question of expediency. The present social development of the Filipinos bears eloquent testimony not only to their capacity for such development, but to the efficacy of the measures adopted to promote it by Spanish missionary priests and Government officials. Whatever may have been the shortcomings of Spanish colonial administration, the hard fact remains that in these islands it resulted in bringing the Filipinos to a stage of social development far above that to which

any other people of Malayan origin has attained. No one familiar with the facts can deny that this development has progressed rapidly under American rule. Whether it will continue until they are able successfully to assume complete control of their country and its affairs is a question as to which there are at present wide differences of opinion among friendly and impartial observers. So far as I am aware, there is no divergence of opinion among such observers as to their present fitness to assume control of the hill tribes and the Moros.

THE FILIPINOS IGNORANT OF THE HILL TRIBES.

With rare exceptions, the Filipinos are profoundly ignorant of the wild men and their ways. They seem to have failed to grasp the fact that the non-Christians, who have been contemptuously referred to in the Filipino press as a "few thousand savages asking only to be let alone," number approximately a million and constitute a full eighth of the population of the Archipelago. I assert, without fear of successful contradiction, that Lieut. Gov. Blas Villamor of Apayao is the only living Filipino who can to-day give a reasonably accurate and comprehensive account of the non-Christian tribes of northern Luzon, and he knows nothing of those inhabiting other parts of the Philippines.

MUTUAL DISTRUST AND HATRED FORM AN INSURMOUNTABLE BARRIER BETWEEN FILIPINOS AND NONCHRISTIANS.

The average hill man hates the Filipinos on account of the abuses which his people have suffered at their hands, and despises them because of their inferior physical development and their comparatively peaceful disposition, while the average Filipino who has ever come in close contact with wild men despises them on account of their low social development and, in the case of the more warlike tribes, fears them because of their past record for taking sudden and bloody vengeance for real or fancied wrongs.

It is impossible to avoid plain speaking if this question is to be intelligently discussed, and the hard fact is that, wherever the Filipinos have come in close contact with the non-Christian inhabitants, the latter have almost invariably suffered at their hands grave wrongs which the more warlike tribes, at least, have been quick to avenge. Thus a wall of prejudice and hatred has been built up between the Filipinos and the non-Christian tribes. It is a noteworthy fact that hostile feeling toward the Filipinos is strong even among people like the Tinguians, who, barring their religious beliefs, are in many ways as highly civilized as are their Ilocano neighbors.

REASONS FOR THE SUCCESS OF AMERICAN RULE OF NONCHRISTIANS.

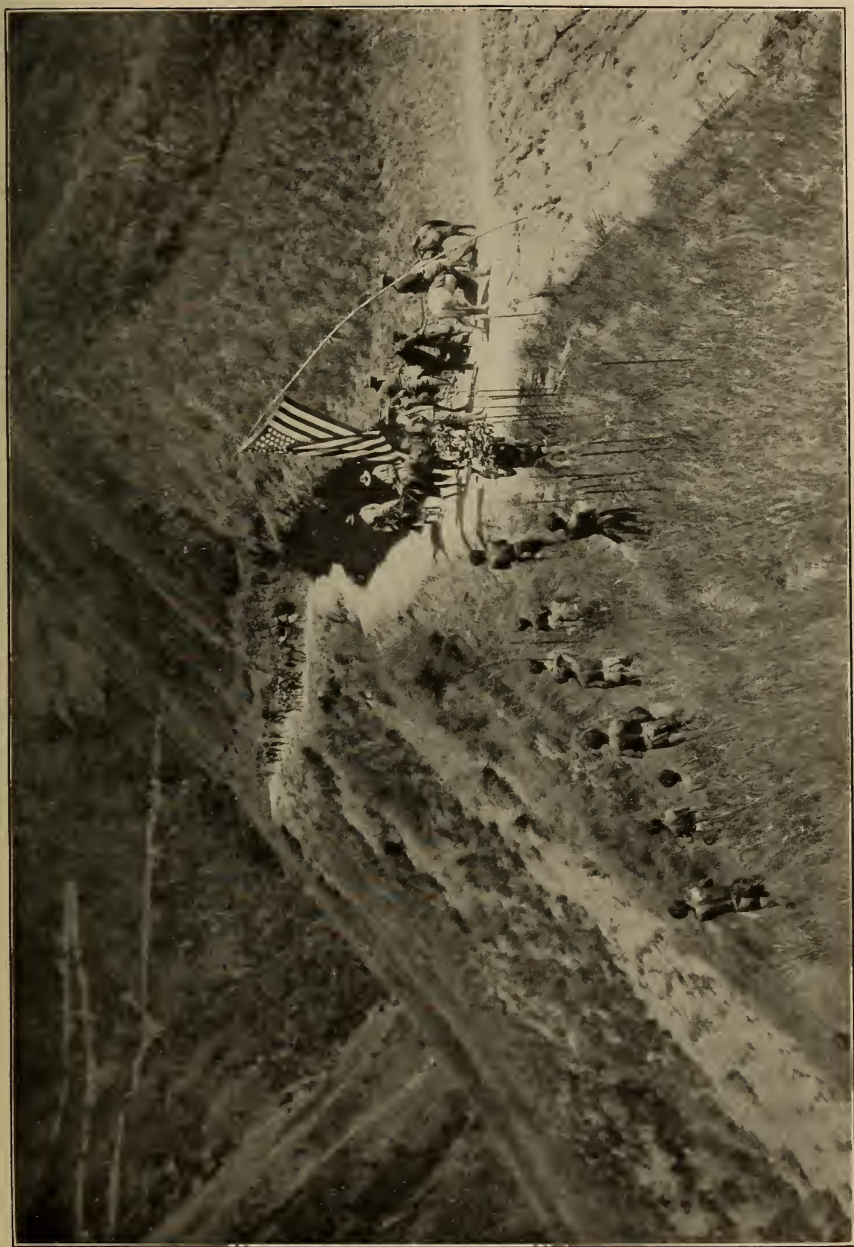
The success of American rule over the non-Christian tribes of the Philippines is chiefly due to the friendly feeling which has been brought about.

The wild man has now learned for the first time that he has rights entitled to a respect other than that which he can enforce with his lance and his headaxe. He has found justice in the courts. His property and his life have been made safe, and the American gover-



IFUGAO CONSTABULARY SOLDIERS IN COMMAND OF LIEUT. W. E. DOSSER.





TYPICAL MOUNTAIN TRAIL.

A "reception committee", of Ingaos with an American flag coming out to meet the Secretary of the Interior.

nor, who punishes him sternly when he kills, is his friend and protector so long as he behaves himself. He learns to like that American. Because of his manliness and courage when his friendship is once won, the American learns to like him, and finds compensation for the loneliness, the hardships, and the dangers of his isolated life in the friendliness and appreciation shown by those for whose advancement he is striving.

THE OPPORTUNITY ALREADY AFFORDED THE FILIPINOS TO GOVERN NON-CHRISTIANS AND THE RESULTS OBTAINED.

Finally, it should be clearly borne in mind that the Filipinos have been given an excellent opportunity to demonstrate practically their interest in the non-Christians, and their ability wisely to direct the affairs of primitive peoples. While the inhabitants of the Mountain Province, Nueva Vizcaya, Agusan, and the Moro Province are not now subject to control by them, and the inhabitants of Mindoro and Palawan are subject to their control only through the Philippine Legislature, there are non-Christian inhabitants in the provinces of Cagayan, Isabela, North Ilocos, South Ilocos, Pangasinan, Nueva Ecija, Zambales, Tarlac, Pampanga, Bulacan, Bataan, Rizal, Tayabas, Albay, Iloilo, Capiz, Antique, Negros Oriental, Negros Occidental, and Surigao. All of these provinces are regularly organized, with Filipino governors, and with provincial boards controlled by Filipinos, if not exclusively composed of them. Furthermore, the territory now comprised in the province of Agusan, with its large non-Christian population, was, until August 20, 1907, divided between Surigao and Misamis, while the Ilongot country ultimately transferred to Nueva Vizcaya belonged to Pangasinan, Nueva Ecija, Tayabas, and Isabela until August 18, 1908.

At the outset, these governors and provincial boards exercised over their non-Christian constituents precisely the same control they had over Filipinos. To the best of my knowledge and belief, not one single important measure looking to the betterment of the condition of these non-Christian inhabitants was ever inaugurated by a Filipino during this period. Indeed, the fact that no expense would be voluntarily incurred for them became so evident as to render necessary the passage on December 16, 1905, of Act No. 1425, entitled, "An Act amending act numbered eleven hundred and eighty-nine, entitled 'the internal revenue law of nineteen hundred and four,' as amended, by providing a method of apportioning internal revenue collections to townships and provinces organized under 'the special provincial government act' and to all townships and settlements of non-Christian tribes, except those of the Moro Province." This act set aside a portion of the public revenues for the exclusive benefit of the non-Christians. But even this in itself led to no practical result. It has proved to be the old story of leading a horse to the water but being unable to make him drink. A statement prepared by the insular auditor at my request under date of October 22, 1910, shows that only 9 of the 20 provinces for each of which a township and settlement fund was thus established have ever expended a cent of it. I can not check up this statement, as 17 out of 20 provinces have failed to furnish the information which I requested on the subject. In nearly every instance the township and

settlement fund has been allowed to accumulate in the provincial treasury, and the action, if any, taken relative thereto by the local authorities has been limited to efforts to secure permission to expend it for purposes other than those for which it had been set aside by law.

After Apayao was established as a subprovince of Cagayan and the duty of providing funds for the maintenance of its government was explicitly imposed upon the provincial board of that province, the governor stated to me that in his opinion it would be useless to make the necessary expenditure, and that it would be better to kill all the savages in Apayao! As they number some 52,000, this method of settling their affairs would have been open to practical difficulties, apart from any humanitarian considerations!

By Act No. 1397, passed September 14, 1905, the provincial officers and provincial boards of provinces regularly organized under the provincial government act were authorized to exercise, subject to the approval of the secretary of the interior, the powers conferred on similar officers and boards in the special government provinces by the township government act. While the passage of this legislation conferred upon the secretary of the interior the power above mentioned, and thus enabled him to prevent the adoption of harmful measures, it did not confer upon him any right to intervene in the affairs of these provinces and to cause the initiation of measures calculated to promote the interests of their non-Christian inhabitants.

Up to the present time, there has been a lamentable lack of initiative on the part of the officers of the provinces concerned.

Surigao has never expended a centavo of its township and settlement funds or taken any action whatsoever looking to the advancement of its wild people. The conditions which grew up while the Agusan valley formed a part of this province were shocking.

Misamis now has no non-Christian inhabitants, but prior to the time when that portion of its territory occupied by the Bukidnons was cut off it had not expended one centavo of the comparatively large sum specifically set aside for their benefit. No one of its governors had so much as visited the main Bukidnon territory, which can readily be reached from the capital in a day on horseback.

Western Negros has done absolutely nothing.

Eastern Negros has practically confined its efforts to the construction of one piece of road, wanted quite as much for the convenience of its Christian inhabitants as for that of its non-Christians.

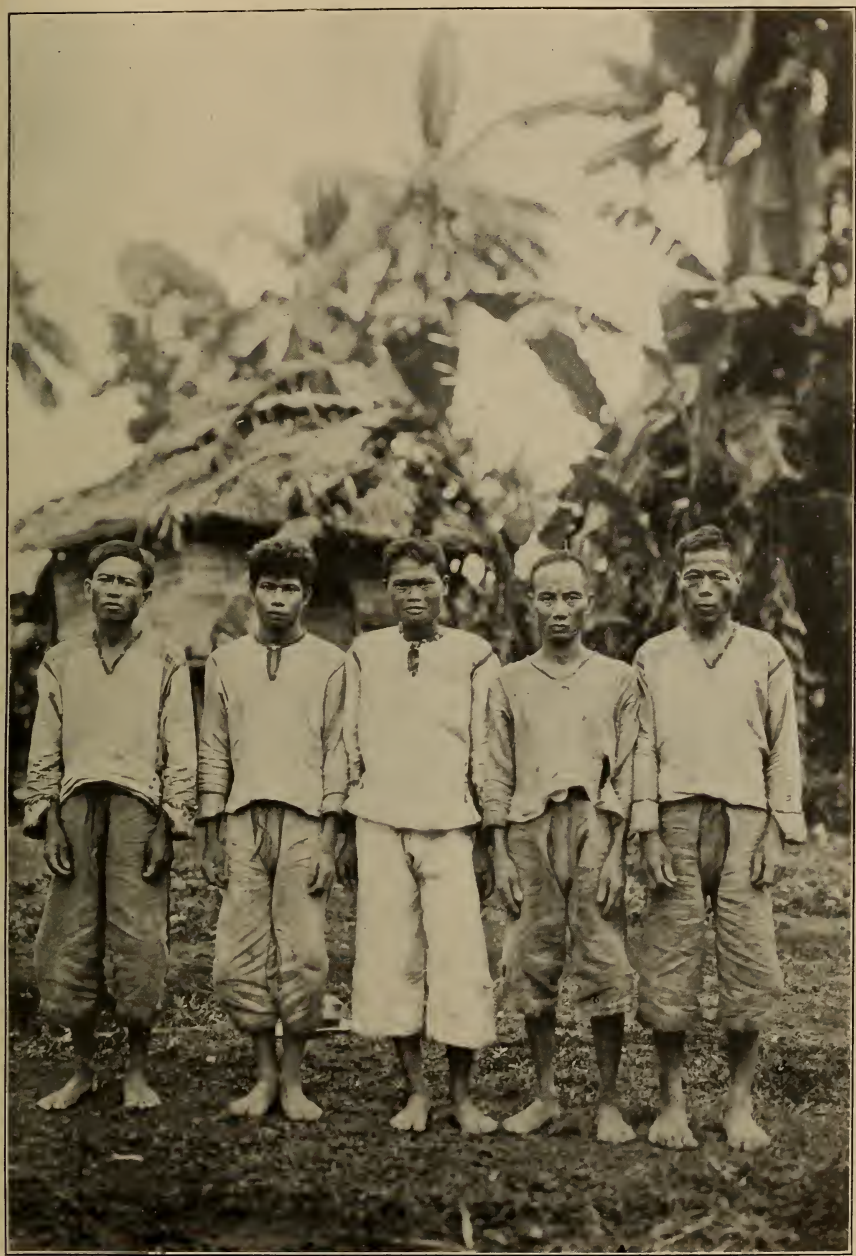
Capiz has done nothing.

Iloilo has done nothing of its own initiative, but has recently acceded to my suggestion that it make its non-Christian inhabitants' funds available for trail construction.

Antique has taken some steps for the organization of the settlements of its non-Christians, and has requested authorization to compel some of the more unruly individuals to take up their abode at fixed places, but has spent no part of the funds set aside for its non-Christians.

Albay has done nothing.

Ambos Camarines, thanks to the interest of active school officers, has appropriated its township and settlement funds for school work, and has even sought to secure authority to spend some of its pro-



A GROUP OF TYPICAL MANOBO MEN.



GROUP OF TYPICAL MANOBO WOMEN.

vincial funds for school work among non-Christians. This latter event is, I think, unprecedented. So far as I am aware, no other province has ever proposed to spend, for the benefit of non-Christians, any portion of its funds not tied up by law in such a way that their expenditure was expressly limited to such purpose.

In *Tayabas* the Hon. Manuel Quezon, then governor, displayed an active interest in the establishment of governmental control over the Ilongots in the northern part of that province. Had he continued as governor I believe that important results might have been looked for, but since the termination of his term of office no action has been taken by the officials of that province, except the appropriation of ₱1,000 to aid in the construction of a trail to the Ilongot country. This last result was brought about through Señor Quezon's personal influence.

In *Rizal* I have learned, indirectly, through complaint of the people concerned, that the governor has established a settlement for some of the so-called "Remontados" and has instructed their headmen to come to the provincial capital at regular intervals to visit him. This action, which required my approval to be valid, has never officially been brought to my attention and a courteous letter of inquiry directed to the governor by me has never elicited any response. Nothing has been expended.

Bulacan has done nothing and has not expended a cent.

Pampanga has done nothing except spend ₱69.55.

Tarlac has expended ₱243.97.

In *Zambales* nothing was done until the time of the present governor, who has displayed a lively interest in a school for Negritos. ₱398.70 have been expended.

In *Pangasinan* several Negrito settlements have been organized.

In *Bataan* practically nothing has been done save the appointment of a few settlement officials. No funds have been expended.

In *Cagayan* it proved impossible properly to conduct the affairs of the subprovince of Apayao on account of the apathy of the provincial officials, who did not even provide for the regular payment of the salary of the lieutenant governor. Apayao was accordingly transferred to the Mountain Province. Cagayan has done absolutely nothing for the wild men inhabiting the Pacific coast range in the eastern part of its territory.

In *Isabela* nothing was done prior to the appointment of an American, Mr. George Curry, as governor. Governor Curry promptly inaugurated effective measures for bringing under governmental control the Ifugaos and Ilongots then inhabiting regions within the province, and this work was actively continued by his Filipino successor, Col. Blas Villamor, who was subsequently appointed lieutenant governor of Apayao at my request. After the termination of Governor Villamor's term of office in Isabela the work lagged, and as a result the territory occupied by the Ifugaos and that occupied by the Ilongots was cut off and added to Nueva Vizcaya. Isabela has done nothing for the wild men remaining in the eastern cordillera of the province.

In *North Ilocos* more intelligent interest has been taken in the affairs of the non-Christian inhabitants than in almost any other

regularly organized province, and the settlements of the pacific and comparatively highly civilized Tinguian inhabitants are under good control, although little has been accomplished toward opening up lines of communication with them. ₱1,382.87 have been expended.

South Ilocos must be considered the banner province. Señor Juan Ortega, lieutenant governor of the subprovince of Abra, was appointed on account of his supposed ability and inclination to safeguard the interests of the numerous and quite highly civilized Tinguians who inhabit this subprovince, and the neighboring territory in south Ilocos proper. Señor Ortega has proved to be an intelligent and just lieutenant governor. He has displayed a commendable interest in promoting the welfare of the Tinguians, and the provincial board has seconded his efforts. Trail construction has begun, and ₱20,391.59 have been expended.

In *La Union* such serious abuses were perpetrated on the non-Christian inhabitants that it became necessary to cut the territory they inhabited off from that province and to divide it between the subprovinces of Amburayan and Benguet.

The above statements are postulated on the theory that provincial governors and provincial boards have reported their action to the secretary of the interior for approval, as required by law. It should furthermore be remembered that the wild tribes with which the officers of the provinces above enumerated have to deal are, for the most part, comparatively pacific and docile people.

As stated, it eventually proved necessary to withdraw the warlike inhabitants of Apayao from the control of Cagayan. It was further necessary to cut from Pangasinan, Nueva Ecija, Tayabas, and Isabela the territory inhabited by the Ilongots and add it to Nueva Vizcaya. Some of the Negritos on the east coast of northern Luzon, and some of the hill people in Capiz, Antique, Iloilo, and eastern and western Negros are fighters, but nothing has been accomplished in nine years by Filipino provincial officials in any regularly organized province toward bringing warlike tribes under control or opening up their territory by constructing trails.

THE PRACTICAL RESULTS OF AMERICAN RULE OF NONCHRISTIANS.

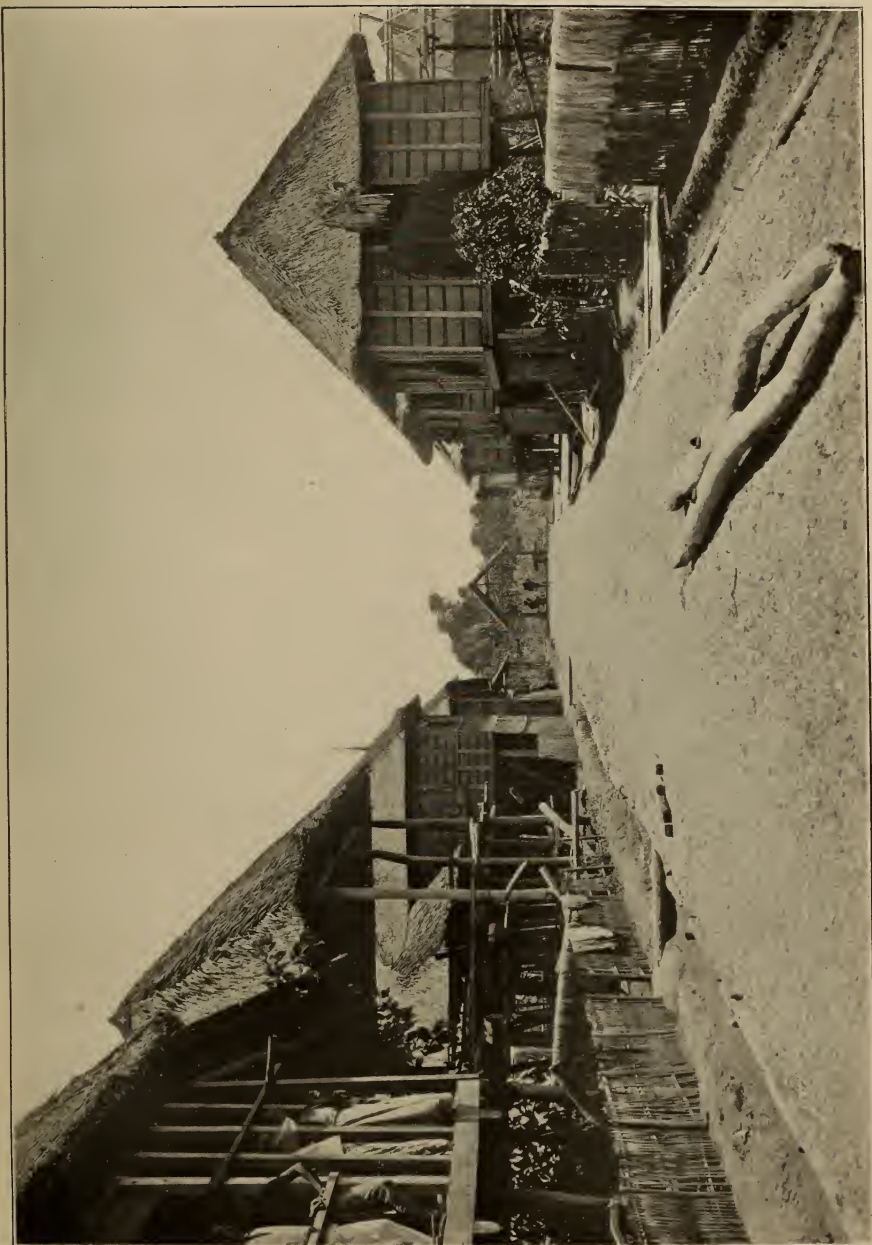
Contrast with this record of inaction and lack of interest the record of the special government provinces and the Moro Province, where dwell really formidable tribes which have until recently engaged in piracy, head-hunting, and murder. Here very extensive lines of communication have been opened up by the building of roads and trails and the clearing of rivers. A good state of public order has been established. Head-hunting, slavery, and piracy are now very rare. The liquor traffic has been almost completely suppressed. Life and property have been rendered comparatively safe, and in much of the territory entirely so. In many instances the wild men are being successfully used to police their own country. Agriculture is being developed. Unspeakably filthy towns have been made clean and sanitary. The people are learning to abandon human sacrifices and animal sacrifices and to come to the doctor when injured or ill. Numerous schools have been established and are in successful opera-



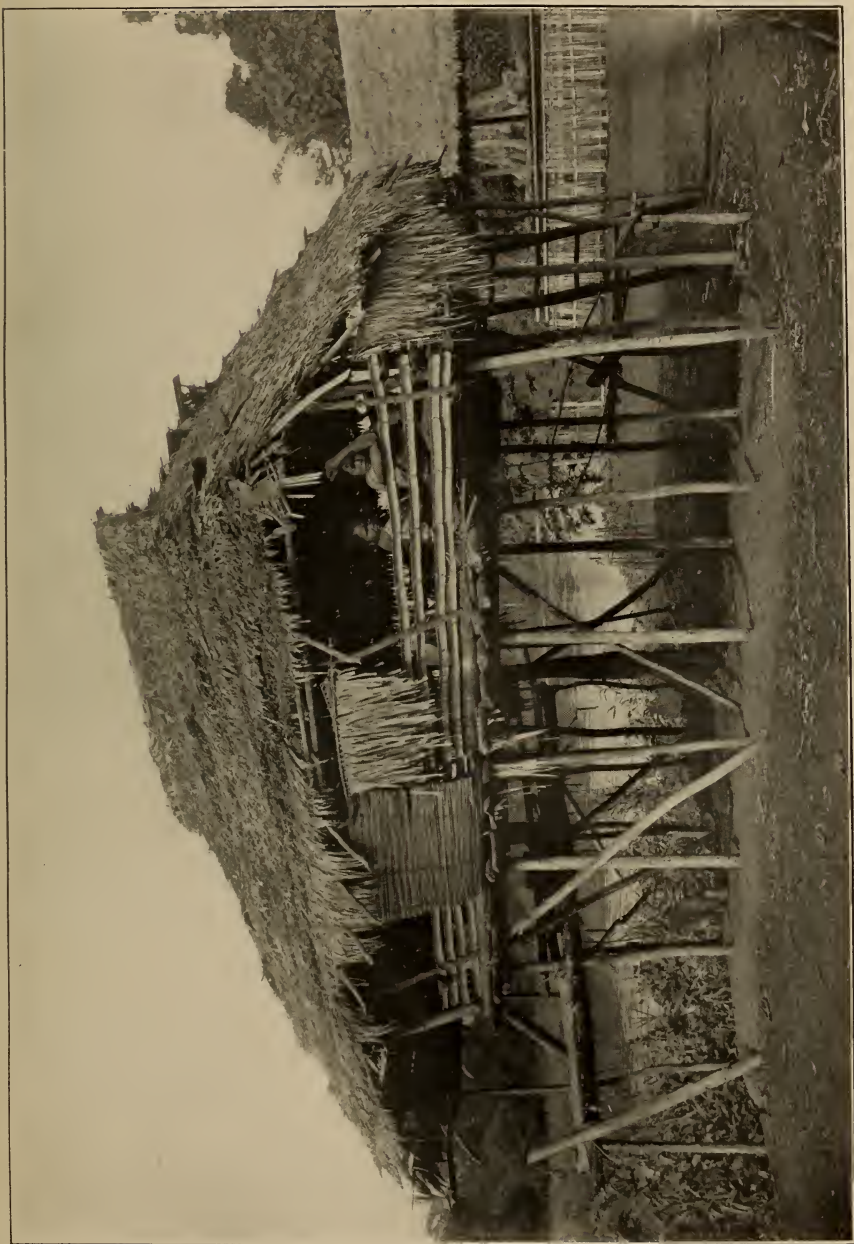
DATO BADA0 AND HIS WIFE.



STREET IN AN OLD-STYLE MANOBO TOWN.



STREET IN ONE OF THE NEW MANOBO TOWNS WHICH HAS BEEN DRAINED SO AS TO ELIMINATE MOSQUITOES.



MANOBO HOUSE, OLD STYLE.



GOOD-NATURED MANDAYAN SAVAGES ON THE UPPER AGUSAN RIVER IN MINDANAO.



A MANDAYA WARRIOR.



YOUNG MANDAYAN WOMAN, WITH TOBACCO QUID BETWEEN THE TEETH CARRIED TO STAIN THE
TEETH BLACK.

tion. The old sharply drawn tribal lines are disappearing. Bontoc Igorots, Ifugaos, and Kalingas now visit each other's territory. At the same time that all of this has been accomplished, the good will of the people themselves has been secured. They are outspoken in their appreciation of what has been done for them, and in their expression of the wish that American rule should continue. They would be horror-stricken at the thought of being turned over to Filipino control.

THE ATTITUDE OF THE WARLIKE TRIBES.

So far as concerns the warlike tribes, the work for their advancement thus far accomplished would promptly be lost, for they would instantly offer armed resistance to Filipino control, and the old haphazard intermittent warfare, profitless and worse than profitless for both peoples, would be resumed.

In making these statements it is far from my thought to disparage Filipino soldiers, who, when well disciplined and well led, have so often given a splendid account of themselves; but if any proof were needed that something more than brave soldiers must be employed if people like the hill tribes of northern Luzon are to be subdued and civilized, such proof has been afforded by the efforts of Japan to establish her control over identically similar peoples in Formosa. The soldiers of Japan have earned an unsurpassed reputation for bravery and efficiency, yet the hillmen of Formosa continue to elude and defy them. The same thing would happen in Ifugao were the Filipinos to attempt to establish by force of arms control over the warlike inhabitants who are born riflemen, living in a mountainous country which is full of strongholds impregnable if determinedly held; and by no other means than force of arms could Filipino control be established over the Ifugaos.

THE PROBABLE RESULT OF FILIPINO CONTROL OF THE MORE PEACEFUL NONCHRISTIAN TRIBES.

I say in all kindness, but with deep conviction, that there is no reason for believing that Filipino control of the more pacific non-Christian tribes would not promptly result in the reestablishment of the old system of oppression which Americans have found it necessary to combat from the day when military rule was first established in these islands until now. I speak whereof I know when I say that the people of these tribes have been warned, over and over again, by those interested in reestablishing the old regime that American control in the Philippines will be only temporary, and that, when the government is turned over to the Filipinos, the tribesmen will be punished for their present "insubordination" and failure tamely to submit to injustice and oppression, as many of them formerly did.

ATTITUDE OF CERTAIN PERSONS TOWARD LEGISLATION PROHIBITING THE SALE OF INTOXICATING LIQUORS TO NONCHRISTIANS.

It is but a few years since many of the non-Christian tribes were in grave danger of becoming besotted with "vino," a deadly alcoholic drink sold to them by Filipinos and others, on which they became so

violently intoxicated that they sometimes died. In consequence of this condition of affairs, Act No. 1639, entitled "An Act to prohibit the sale, gift, or other disposal of any intoxicating liquor, other than the so-called native wines and liquors, to any member of a non-Christian tribe within the meaning of act numbered thirteen hundred and ninety-seven, and to prohibit the use of such liquor by any member of such a tribe," was passed. Some months later, and immediately after the passage of the act separating the territory of the Bukidnon people from the Province of Misamis, I visited the capital of the latter province, and within 30 minutes of the time of my arrival there found that "vino" was being freely sold to Bukidnon people, and that this sale was going on openly within a few rods of the provincial government building. The shopkeepers who were conducting it plead ignorance of the law. I asked the provincial governor what he had done to make its provisions known to those concerned, and he informed me that he had sent word to the Bukidnon people in the mountains that they must not buy or use the prohibited drinks. I asked him if he had informed the local dealers in his own town that they must not sell vino to the Bukidnons, and he replied that it had not occurred to him to do so.

It is seldom, indeed, that I make an inspection trip without being entreated by Filipinos tacitly to sanction, if not to advocate, the repeal of this act, which interferes with a formerly lucrative business.

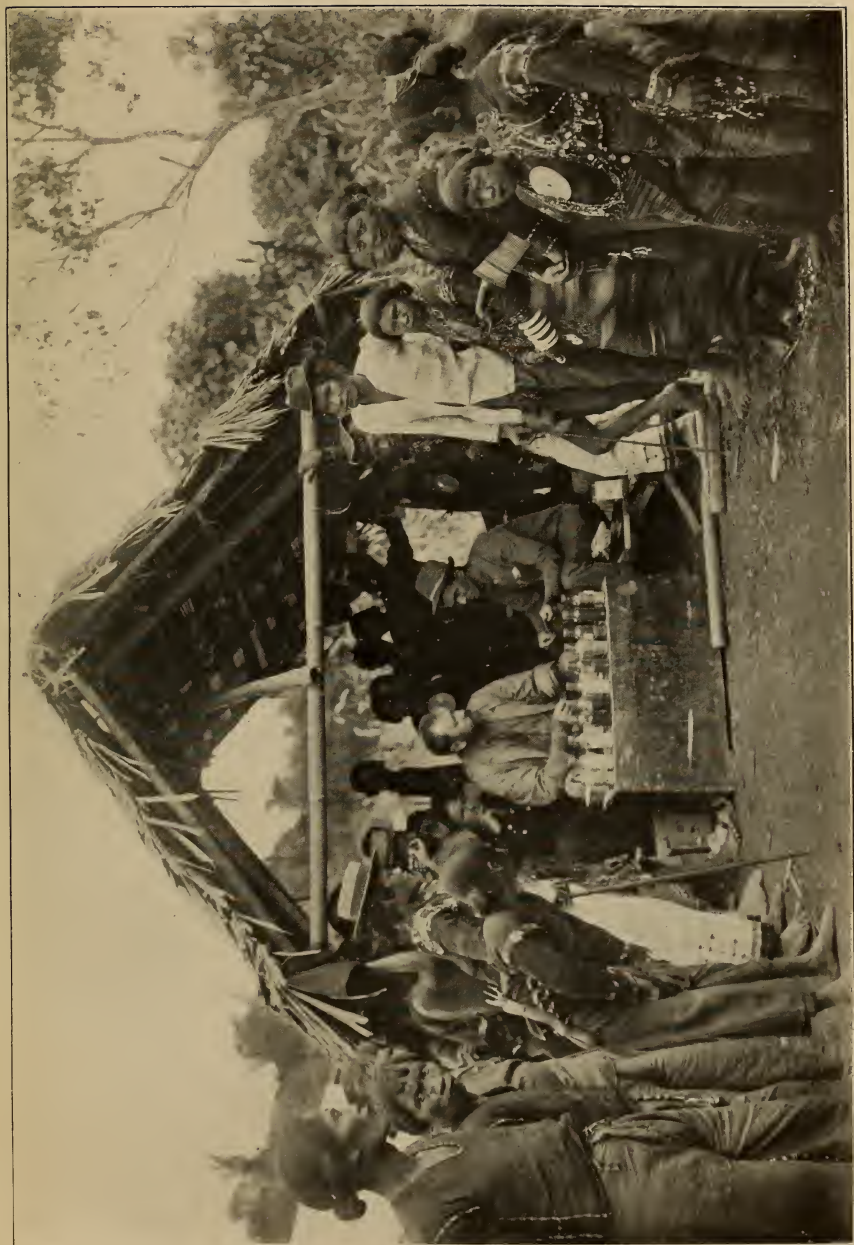
VALUABLE SERVICE RENDERED BY FILIPINOS IN CONNECTION WITH WORK
FOR THE ADVANCEMENT OF NONCHRISTIAN TRIBES.

It would be unjust for me to fail to mention here, as I have often done elsewhere, the valuable services which Lieutenant-Governor Blas Villamor, Lieutenant Maximo Meimban of the Philippine constabulary, and former Lieutenant Manuel Fortich, now assistant to the governor of Agusan, have rendered in connection with the work for the non-Christian tribes.

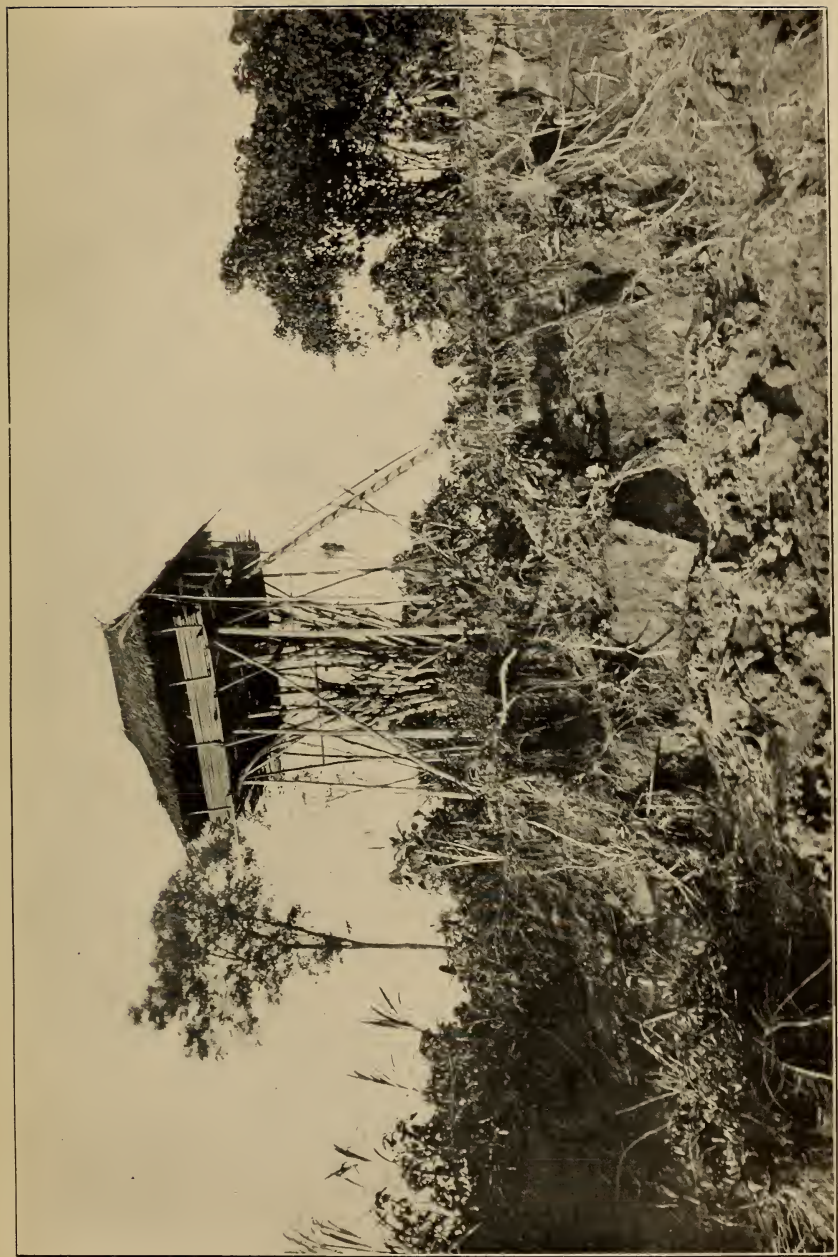
CONCLUSION.

In view of the facts stated, I am of the opinion that to turn the control of the non-Christian tribes over to the Filipinos would speedily result in disaster. As the Filipinos have no just claim to the territory which the non-Christians occupy, I see no reason for pursuing such a course.

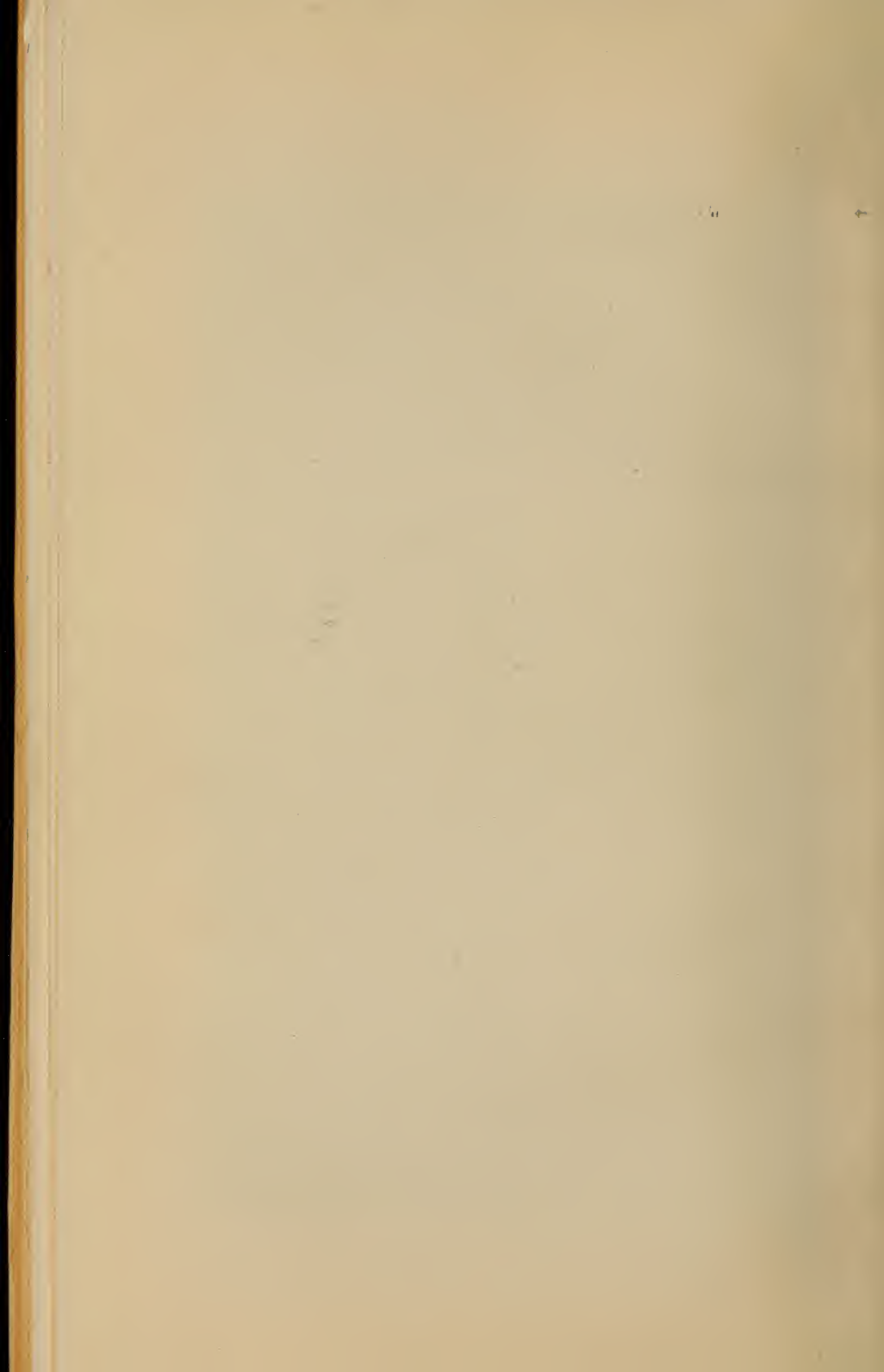
It has been my highest ambition as Secretary of the Interior for the Philippine Islands to bring the work for the non-Christian inhabitants to such a point that the practicability of civilizing them might be conclusively demonstrated, and that the importance of doing it might be so fully established that the work could not be dropped. The progress already made by the Bukidnons and the Igorots of Benguet indicates that the day may come when these and similar non-Christian tribes can safely be allowed to manage their own affairs, if protected from interference from without. Whether or not it will be possible, in the reasonably near future, to relinquish full control over such people as the Moros, Ifugaos, Kalingas, Bontoc Igorots, and the wild Tinguians of Apayao remains to be seen, but to



MAKING FRIENDS WITH THE MANDAYAS BY DISTRIBUTING BEADS.



A MANDAYA HOUSE.



turn these or any non-Christian tribes over to Filipino control at this time would inevitably mean the speedy loss of many of the important results already achieved.

In quieting the fears of members of the more pacific tribes who have been assured by Filipinos that American control would be only temporary, and threatened with future punishment when it should terminate, I have repeatedly assured these simple people of my conviction that the American Government, having once undertaken their protection, would not desert them, and I earnestly hope that such a deplorable course may never be seriously contemplated.

TRANSFER OF THE BUREAU OF AGRICULTURE.

By Act No. 1972 of the Philippine Legislature, passed during the special session of that body at Baguio, the bureau of agriculture was transferred to the executive control of the secretary of public instruction. My attitude in this matter is explained with sufficient clearness in the following letter:

BAGUIO, March 30, 1910.

The honorable the GOVERNOR-GENERAL,

Baguio, Benguet, P. I.

SIR: You will recollect that at the time the Commission was called upon, subsequent to the passage of Act No. 1407, to make recommendation relative to the reorganization of the executive departments and the redistribution of the bureaus of the insular government to such departments, you and I dissented on certain points from the opinion of the majority of the members of the Commission, and our minority opinion, to the effect that the agricultural interests of this country and the relationship of the bureau of agriculture to these interests were so important that this bureau ought to be made the principal bureau of a new executive department, was cabled to Washington. Our recommendation did not meet with the approval of the Washington authorities at that time.

At a later date, however, when the subject of the reorganization of the departments again arose, there was a unanimous expression of opinion by the secretaries of departments as to the changes which ought to be made. They included the transfer of the bureau of agriculture to the department of public instruction.

While, as you are aware, there are apparently insuperable obstacles to the immediate carrying out of the proposed general scheme of reorganization, this particular transfer is one of the features of it which has been approved by the Washington authorities. The Philippine Legislature is vested with authority to make the change. I am of the opinion that it should be made, in the interest of a more equitable distribution of the work of the executive departments and of the increased efficiency which will naturally result from such distribution, and that it should be made now, when the exigencies of the general campaign which has recently been inaugurated against rinderpest demand the expenditure, in inspection work in the provinces and in other ways, of an amount of time which I can not give if I perform properly the other duties imposed on me by law.

I inclose herewith a draft of a proposed act providing for the transfer of the bureau of agriculture to the department of public instruction and request that, if you feel that you can properly do so, you submit it to the Philippine Legislature during the present special session, recommending favorable action upon it.

Very respectfully,

DEAN C. WORCESTER,
Secretary of the Interior.

This letter was forwarded to the Legislature by the Governor-General with a favorable indorsement, and the passage of the necessary act ensued.

BUREAU OF HEALTH.

The bureau of health is in effect the medical department of the Philippine government. With the exception of the marine quarantine, which is maintained by the United States Marine-Hospital and Quarantine Service, and of the instruction of students, all of the medical, surgical, and sanitary work of the government is performed by it, or under its general supervision and control.

LOW DEATH RATE AMONG GOVERNMENT EMPLOYEES.

While complete and fairly reliable vital statistics are not yet available for the Philippines as a whole, the facts relative to government employees are definitely known. The death rate among them for the year has been but 5.82 per thousand.

A practical result of the improved conditions which have been brought about, and of the dissemination of information regarding them, is that many insurance companies now write insurance for residents of these islands on the same terms they would give in the United States, thus recognizing the undoubted fact that the expectancy of life here among those who would ordinarily take out life insurance is as good as in the Temperate Zones.

PHILIPPINE GENERAL HOSPITAL.

At the time the director of health closed his annual report work upon the main buildings for the Philippine General Hospital had not advanced sufficiently to make it possible to occupy them, nor did it seem probable that they could be occupied in the immediate future. Definite instructions from the Governor-General resulted in greatly expediting this work, and on September 1 the main buildings were thrown open for inspection by the general public. On the following day the patients in the civil hospital were transferred to one of the pavilions, which was fully equipped and ready to receive them. At this time the offices in the administration building were ready for use, as was one of the operating rooms in the surgical pavilion. The kitchen also was in operation, steam, hot water, and electricity having been laid on from the engine room of the bureau of science building. A second pavilion is now ready for occupancy, and the three remaining pavilions will be opened as rapidly as equipment can be put in place and steam and hot water supplied. All of the equipment for the kitchen, the wards, the operating pavilion, and the offices of this great institution is now on hand. The equipment of the cold-storage plant, some machinery to be used in connection with the kitchen, and the elevator remain to be installed, and the water supply must be increased before the institution can run at its full capacity. The walls of the nurses' home and of the free dispensary and out-clinic building are completed, but long delay in receipt from the United States of structural materials for the roof has greatly retarded the completion of the work. When these buildings are finished and the hospital is in full operation it will compare favorably with any similar institution to be found in the Tropics. The equipment is of an especially satisfactory character.

The economy which will result in caring for patients in properly constructed and equipped buildings is shown by the fact that upon the transfer to the general hospital of the patients in the civil hospital it was possible to reduce the number of employees necessary to attend them from 70 to 40.

The Philippine General Hospital is a division of the bureau of health, and the director of health is authorized to employ there the services of any medical officer of the government, with the approval of the secretary of the department concerned, or with the approval of the board of control of the Philippine Medical School, as the case may be. Under this arrangement it has been possible to provide a very exceptionally able staff, and the medical and surgical care thus made available for government officers and employees is of an exceptionally high order. All physicians and surgeons are at liberty to take their patients to the hospital. The scale of charges is very moderate.

The buildings face the new boulevard known as Taft Avenue and adjoin the laboratory building of the bureau of science on Calle Herran. This building in turn adjoins the splendid new building of the Philippine Normal School. We thus have these three great and closely inter-related institutions adequately housed and located side by side. This is an ideal arrangement. The government is now equipped to give young men and young women the best of theoretical and practical instruction in medicine and surgery; to train them as nurses and hospital attendants; to carry out the most important researches relative to the causes and prevention of disease, and to afford to those suffering from disease or from injuries the most skillful medical and surgical attendance.

CIVIL HOSPITAL DIVISION.

The work performed by the civil hospital division has been of the high order heretofore maintained, and the death rate has continued extraordinarily low. Full details of the work will be found in the report of the director of health, and I shall not attempt to summarize them. There is, however, one subject connected with the administration of this institution to which attention should perhaps be called. Sick people are apt to be querulous. Nurses who perform long hours of nerve-racking work in the Tropics, and who are closely associated with each other when on duty, have been known to quarrel. An economical administration of so large a government institution as the civil hospital is not always easy to maintain. Some time since there arose a serious dissension among the nurses which threatened to interfere with the usefulness of the institution. I had for a long time been satisfied that the expense of operating it was excessive, but had been unable to find the leak. I decided that the termination of dissension among the nurses and the restoration of proper discipline among them were imperatively necessary, and that the cause or causes of the excessive cost of operating the hospital could best be determined from the inside. A definite policy was agreed upon between the director of health and myself, and Miss Mabel E. McCalmont, who had been serving as supervising nurse, was made superintendent of the hospital to the end that it might be carried out. She

objected to the assignment on account of the disagreeable nature of the work, which was likely to involve her in much unpleasantness and unpopularity, but was ultimately convinced that it was her duty to undertake it. She performed it in a highly efficient manner. The leaks which had long remained undiscovered were found and stopped. The cost of running the institution was promptly reduced ₱2,000 per month, while the character of the food served and the service given was at the same time materially improved.

A determined effort was made to enforce discipline among the nurses, most of whom were faithful, efficient, and hard-working employees who were entirely willing to conform to any reasonable rules relative to their work. Unfortunately, there were among them a few individuals whose resignations it proved necessary to accept, while in one instance a nurse was removed. As was anticipated, attacks upon the administration of the civil hospital resulted. In this manner, Miss A. M. Freeman, a former nurse of the hospital, who had left the service, was particularly active. Under an assumed name, she addressed to me a letter viciously attacking the civil hospital. In it she represented herself to be a government employee from Washington who was visiting the Philippines for the purpose of making investigations into the conduct of the government, and who had secured admission into the hospital as a patient in order to watch its operations.

Her conduct in this matter has not heretofore been made public, but as she has continued to fill columns in one of the daily newspapers of Manila with complaints against the hospital and charges against its officers and employees, has written to nursing journals in the United States, and has repeatedly attempted to dissuade nurses from coming to these islands, I think it proper now to state the facts.

Miss McCalmont was not unnaturally made the center of attack, and during the absence from the city of the director of health and myself, the assistant director of health appointed a board to examine into the merits of a dissension between her and a nurse whom she had recommended for dismissal. Persons not subject to the jurisdiction of the director of health were irregularly appointed on this board, which began to hold hearings and allowed lawyers to appear before it. Upon my return I decided that there never had existed any necessity for its appointment, as the investigation of the charges and countercharges which had been made was a matter of ordinary administrative detail, which should have been attended to by the chief of the bureau and the secretary of the department concerned. After going fully into the record of the case the Governor-General concurred in this decision and stated his conclusions in the following announcement to the public press:

After examination of all matters pertaining to the hospital investigation, the Governor-General has found that the appointment of a board to conduct the investigation was irregular; that the matter was one that was purely administrative, there being no matters which could not properly be looked into by the officials of the government; and that conditions calling for an investigation have wholly ceased to exist. There is no evidence that anybody now in the service has been guilty of any illegal or improper acts.

There is no doubt whatever but that under the previous management of the hospital the care of government property and supplies was lax and there was greater consumption than the conditions justified, and that a change in the method of accounting for property was necessary.

Miss McCalmont was asked to do this work at the instance of the director of health and the secretary of the interior, and against her own expressed wishes and request, since a reform of this sort was necessarily unpopular and sure to arouse hostility and bitter feeling.

Having demurred and having been requested to continue this work, she has done so at great personal sacrifice and in spite of poor health and many very unpleasant criticisms. To this work Miss McCalmont has brought a high order of intelligence and training and marked ability, together with a single-minded desire to work for the good of the service; and the Governor-General has directed the secretary of the interior to extend to Miss McCalmont the thanks of the government for the excellent work she has done.

It is also found that some of the criticisms leveled against the new system which has been established are unjustified; that some of the nurses have purposely tried to make the new system unpopular and fail by not taking the trouble necessary to comply with the new regulations and then informing the patients that the resultant lack of facilities was due to the stinginess of the administration, a course which does not commend itself highly to fair-minded people.

In the main, however, it is believed that the nurses of the civil hospital are high minded, hard working, and faithful, and that they may be depended upon to cooperate in everything which is required of them for the good of the service and the success of their work.

It is believed that the criticism of purposely trying to make the new system fail is one which can be leveled at so few individuals as to make it by no means a charge against the nursing force in general and that repetition of such practice need not be apprehended for the future. It goes without saying that should instances of this kind arise, the separation of the guilty parties from the service will be the only remedy possible for the bureau.

Miss McCalmont has not only performed the duty of superintendent of the civil hospital and carried out the desired reform in the administration of that institution; but at the same time, and out of regular hours, has performed the very difficult task of planning and ordering the equipment of the Philippine General Hospital. She has also planned hospital buildings and equipment for the provinces. Either task was in itself sufficient to tax the energies of any one person.

As a result of overwork, her health became seriously impaired, so that she could no longer perform the double duty, and she was, some time since, relieved of all duties in connection with the administration of the hospital and given immediate charge of plans and equipment of new hospitals, for which work she had demonstrated very unusual qualifications. This arrangement will be continued.

The Governor-General has directed the director of public works to get the new hospital buildings in such shape that they can be moved into by the 20th of August, and has requested the director of health to prepare to move over on that date. It is believed that the facilities that can be offered by that time in the new hospital, even though not complete in all respects, will be superior to those now existing in the present civil hospital, on which the government has not been willing to spend the money necessary for maintenance, in view of the contemplated use of the new buildings.

NEW HOSPITALS IN THE PROVINCES.

We have now begun to meet the imperative need of a certain number of hospitals at central points in the provinces. A hospital at Cebu, to cost ₱82,000 has been provided for. Plans have been completed, an excellent site has been secured, and work will soon begin. This institution will be of great value, not only to the inhabitants of Cebu, which has a larger population than any other province, but to those of Samar, Leyte, Bohol, Eastern Negros, and northern Mindanao, as water communication is available between all of these regions and the city of Cebu, which in commercial importance is the second port in the Philippines.

At Bontoc, the capital of the Mountain Province, work has already begun on a hospital to which can be brought sufferers from among the Christian Igorots of Lepanto and three of the head-hunting tribes, to wit: the Bontoc Igorots, the Kalingas, and the Ifugaos. Formerly the wild men, when sick or wounded, endeavored to pacify the anitos, or spirits, of the departed, whom they considered to be responsible for their ills, by killing chickens, pigs, or carabao, according to their means. They are now learning the efficacy of the white man's medicine and surgery, and are coming for help in constantly increasing numbers. The establishment of this institution, for which ₱30,000 are available, will, without doubt, greatly strengthen the already very friendly relations which exist between the government and the wild men of the northern Luzon mountains.

An appropriation has been made and plans drawn for a sanatorium at Sibul Springs, the waters of which have undoubted medicinal value. Eighty thousand pesos are available for prosecuting this work.

A tuberculosis camp has been established in a large building formerly used in connection with the city water supply, and on the grounds adjacent to it. This building is situated on high land overlooking Manila, and is at this writing actually occupied and in operation.

Funds are available for the construction of a hospital at Tuguegarao, which will serve the provinces of Cagayan and Isabela.

Eight thousand pesos will be used in establishing a small hospital at Butuan in the province of Agusan. This town is situated 5 miles up the Agusan River. With the completion of the removal of obstacles at one point in this river, the main stream of the Agusan will be navigable for launches for a distance of approximately 125 miles, to say nothing of the tributary rivers with many additional miles of navigable waters. At present, the people throughout this entire region are, as they always have been, without medical or surgical assistance of any sort whatsoever, and this little hospital at Butuan will relieve a great deal of human suffering.

SANITARY CONDITION OF THE CITY OF MANILA.

With its clean streets, its new water system now in full operation, and its new sewer system, with much of which connections can now be made, the sanitary condition of Manila is steadily improving, and is on the whole decidedly better than that of most oriental cities of equal size. Some serious problems remain to be solved. One of these is the compelling of private persons to connect the plumbing of their houses with the new city sewers. Another and far more complicated problem is afforded by the lowlands in the city. There are extensive areas which are under water at high tide. At best, these regions afford breeding grounds for myriads of mosquitoes, and at the worst, portions of them are inhabited by large numbers of human beings, who live in wretched, insanitary hovels, without sanitary facilities of any sort. The absence of streets or lanes makes the removal of night soil or garbage from such insanitary "barrios" or villages well-nigh impossible. Upon the advent of cholera or typhoid fever, infection is spread from them by the rising

tide. It is tracked into the houses on the muddy feet of their occupants, and is borne there by the myriads of flies which breed in the garbage heaps, and subsequently maintain a most complete system of communication between infected feces and the food of the unfortunate inhabitants.

Such regions are the natural strongholds of contagious disease, and to expect the complete eradication of such disease while they are allowed to exist is to expect the impossible. In order to hold cholera in check during its periodical outbreaks, it has been necessary to disinfect these insanitary areas literally by the square mile, and the resulting cost has been enormous. Both the director of health and the secretary of the interior have for years protested strongly against the continued tolerance of such conditions by the city authorities and have insisted that funds should be spent in remedying them so far as they are remediable rather than in the widening of streets and the establishment of parks in the more sanitary portions of the city, however desirable these things in themselves may be.

By way of reply, the attempt has been made to fix upon us the responsibility for the continuance of these conditions, since it lies within our power to compel the abandonment of insanitary sites. No one has yet endeavored to explain what advantage would result from chasing the unfortunate inhabitants from one insanitary site to another, and that has, until recently, been the only course left open to us. In my last annual report I referred to the fact that the Governor-General had, by executive action, made available funds for dealing with this problem, and that the establishment of sanitary barrios where persons ejected from the more insanitary regions of the city might settle would begin in the near future. After long and vexatious delays the work has been inaugurated and is being rapidly pushed.

The new sanitary barrios now under construction are in the form of city blocks, for which permanent street lines have been established. These blocks are divided into house lots, each of which faces on a street or alley. Only one house may be constructed on a lot. Drainage from the houses is received in open cement-lined aprons, whence it is conducted through open cement-lined canals into large cement-lined street canals so arranged as to facilitate its proper disposition. The open character of these canals renders easy their inspection, cleaning, and, when necessary, their disinfection, and makes possible the purifying action of sunlight. As sanitary barrios are completed and occupied, and insanitary barrios are permanently vacated, further great improvement in the health of the people may be confidently anticipated.

NECESSITY FOR ADDITIONAL STREETS AND DRAINS.

There remains to be considered a number of regions thickly settled by the lower class of Filipinos which are insanitary, not because they lie below sea-level, but because of the fact that they are without general drainage ditches or sewers, with which private owners can be compelled to connect, and lack streets to make possible the collection of night soil and garbage. Manila has 2,467 inhabitants to each

mile of street, as against 63 in Los Angeles, 387 in New Orleans, 425 in St. Louis, 537 in Chicago, 557 in Baltimore, 863 in Washington, and 910 in Philadelphia. Boston has 1,099, and New York and Brooklyn have 1,890, but in both of these cities conditions are mitigated by the existence of dwellings and tenements, which are five to ten stories high, while Manila is very strictly a city of one and two story dwellings. When the lowlands, which can later be rendered fit for human habitation by filling, have been vacated by the transfer of their inhabitants to sanitary barrios, and when the sanitation of thickly settled lands high enough to be drained has been rendered possible by the construction of main drainage ditches and the opening of streets, we may hope for radical and permanent improvement in the health of the city. The rapid strides now being made in the establishment of sanitary barrios is shown by the status of this work on July 1, 1910, when it had been in progress but two months. At this time, 45 blocks with 1,648 lots had been completed on the government portion of the San Lazaro estate, and plans had been completed for 33 blocks, with 1,241 lots, on the church's portion of this estate. On the Legarda estate 9 blocks with 432 lots were approaching completion. Work on them has since been finished. At Vito Cruz land had been offered and plans were under consideration for 4 blocks with 192 lots. The population actually occupying these sanitary blocks on July 1, 1910, numbered 28,104.

The municipal board has further passed a building ordinance providing that all new houses must abut on some form of street.

A court of first instance has held that this ordinance is illegal, and the matter is now pending on appeal.

ARTESIAN WELLS.

The boring of artesian wells in these islands was first undertaken by the insular government in 1906. The total number of wells thus far completed by the government is 206, of which 70 were bored during the past fiscal year. There is a gratifying interest in this method of securing a better water supply, and the Philippine Legislature has appropriated ₱300,000 to be expended for this purpose during the fiscal year 1911, as against ₱105,000 for the fiscal year 1910. Furthermore, the money thus appropriated has been made available for securing good potable water by other means, in cases where it is improbable that artesian wells would give good results. The insular government has thus entered upon a policy of aiding the municipalities of the islands to get good drinking water, a matter which is obviously of fundamental importance from a sanitary point of view. Furthermore, many provinces and municipalities have purchased well-boring rigs of their own and have constructed successful wells. The number of wells bored to date by provincial well-boring rigs is approximately 200.

SANITARY SEWERS OF MANILA.

A sanitary sewer system, which cost the city of Manila approximately ₱4,000,000 has now been in operation and available for service in a large portion of the city for a year. On July 1, 1910, the number of houses connected with the sewers was but 516. This was in large

measure due to the fact that the work of making sewer connections was new work in Manila, and that there were not sufficient men and materials available to push it rapidly. In part, it was due to the fact that many property owners not in sympathy with the new régime will not make connections unless compelled to do so. The municipal board has passed an ordinance under which house owners can be compelled to make sewer connections. On January 25, 1910, a temporary injunction, which has not yet been dissolved, was granted by a court of first instance, against the director of health, suspending in one case the enforcement of the ordinance. As this case will have an important bearing on succeeding ones delay will result pending its final settlement.

THE SANITARY CONDITION OF TOBACCO FACTORIES.

Untrue and injurious reports have been circulated in the United States relative to the sanitary condition of Manila tobacco factories. In view of the importance of this subject I quote here in full the regulations of the bureau of health for the control of such institutions.

1. All the rules and measures at present in force for the sanitary maintenance of houses and shops shall be observed most rigorously, giving special attention to personal cleanliness and to the sweeping and washing of floors and walls, and also to the collection of garbage and refuse in metal receptacles with well-fitted covers. (Section 690 of revised ordinances.)

2. There shall be installed at some convenient place approved by the director of health, in each factory, washbasins of modern type, arranged in rows, with an abundant supply of water, with proper traps and vents and connected with the sewer. One or more special employees of the factory shall have charge of the cleaning and proper keeping of these washbasins, before commencing work, and shall see that each laborer or workman, before commencing work, shall wash his hands with soap and water. The bureau of health may, at its discretion, compel this washing to be done with a disinfecting solution.

3. A sufficient number of modern water-closets, properly trapped and vented, shall be installed for the employees of each sex, and also a washbasin fixture of approved type for each flush closet. The closet for men should be equipped, in addition, with a sufficient number of urinals of modern type, approved by the bureau of health. One or more special employees shall be in charge of the cleaning and proper keeping of these sanitary fixtures, and shall see that all employees, male or female, carefully wash their hands upon leaving the closet. Upon request of the factory such employees, as well as those performing similar duties referred to in paragraph 2, will be given special appointments by the director of health as subsanitary inspectors.

4. No restaurant, canteen, dining room, or "carinderia" will be permitted in the interior of the factory, except those with first-class sanitary accommodations.

5. It is prohibited absolutely to hire employees suffering from any contagious, infectious, or desquamative disease, however mild. All employees, upon original entry into the factory, must first pass a satisfactory medical examination at the hands of the physician of the factory or by a doctor of the bureau of health. Twice each month, on the 1st and 15th thereof, medical inspection must be made of each and every operative employed in the manufacture of cigars and cigarettes, and lists will be prepared, signed by the factory physician and promptly forwarded to the director of health, following each inspection, giving the name of each employee and the class of work engaged upon, who may be found free from any contagious, infectious, or desquamative disease. A second list shall be furnished on which shall be shown in the same identical manner any employee not free from any disease mentioned above, and such employees shall at once be segregated and not permitted reentry into the factory until free from such disease. This semimonthly inspection shall not prevent at any time the inspection of any or all of the employees, male or female, by a health officer, whose decision in matters of disease and sanitation shall be decisive.

6. The use of a sufficient number of spittoons of smooth and polished surface, to facilitate their cleaning, which must be done at least once every day, shall be compulsory in all factories.

7. Young children, especially nursing children, shall not be permitted to enter any cigar factory.

8. It is absolutely prohibited to use saliva, impure water, the lips, tongue, or mouth, or unclean hands, in any operation directly connected with the manufacture or packing of cigars and cigarettes. It is also prohibited to trample or walk or stand on the tobacco for any purpose whatever.

9. All the operations in the selection of leaves, and the drying and manufacture of cigars and cigarettes, except where necessary in process of manufacture, shall be made upon perfectly dry floors and on dry, clean working tables. The warehouses shall be dry and well provided with air and light. The use of clean mats upon floors and tables also clean is permitted.

10. For the purpose of preventing, so far as possible, the falling to the floor and probable contamination of tobacco leaves and other materials used, the worktables shall be provided with canvas troughs along their edges, which shall be kept in a proper state of cleanliness.

11. No article of clothing or part thereof, as skirts, "tapis," handkerchiefs, etc., will be used to wrap or remove from one place to another tobacco or other materials used in the manufacture of cigars and cigarettes.

12. No room, parlor, warehouse, or premises used as a shop or a part of a cigar factory shall be used as habitation or sleeping room by any person or persons at any time of day or night.

13. All factories shall be kept open to the inspection of the officers and employees of the bureau of health without previous notice. These inspections may be made at hours and days wholly unexpected, in order that the degree of attention which the owners pay to the compliance with these rules may be determined.

Frequent and rigid inspections are made in order to ascertain whether these regulations are being enforced. I am glad to be able to state that the men in charge of the factories have shown themselves most willing to cooperate with the bureau of health to the end that the sanitary condition of their establishments may be kept as perfect as possible. The bureau of health has never encountered more hearty cooperation in any undertaking which it has inaugurated, and the regulations are very strictly obeyed. I believe that the Philippines may well challenge other countries to show better conditions in tobacco factories. American tourists in large numbers have visited the Manila factories during the past year, and have been loud in their praise of the conditions observed.

SANITARY EDUCATION BY MOVING PICTURES AND LANTERN DEMONSTRATION.

The problem of how to bring home to the common people of these islands, with their multiplicity of dialects, the more fundamental facts which they ought to know in order to protect their own lives and the lives of their infants and young children is one which constantly faces us. Simple circulars, printed in the native dialects, and the public schools, have thus far proved the two most effective agencies to this end. The moving-picture craze, long since developed in Manila, is now invading the provinces to some extent. As a result of the cooperation of Mr. A. W. Yearsley, many of the cinematographs of Manila are now showing nightly films of great educational value in connection with the recently inaugurated antituberculosis campaign, and it is purposed to extend and develop this plan of reaching the common people through the eye, both in Manila and in the provinces. Stereopticon lectures on sanitary subjects were given

at the Philippine carnival, and were well attended. Lectures illustrated by the stereopticon or reflectoscope will be given by officers of the bureau of health in the provinces, and will cover such subjects as tuberculosis, intestinal parasites, hygiene, diet, etc.

A BETTER OBSTETRICAL SERVICE FOR THE POOR OF MANILA.

A determined effort has recently been inaugurated by the Philippine Medical School, aided by the bureau of health, to give the poor of Manila better obstetrical service, and thus reduce infant mortality and save the lives or the health of mothers. The medical school has established an out-patient obstetrical department, in connection with which there are employed two Filipino female nurses and a sufficient number of physicians, so that at least one is always ready to answer calls, which steadily increase in number.

THE FAR EASTERN ASSOCIATION OF TROPICAL MEDICINE.

The first biennial meeting of the Far Eastern Association of Tropical Medicine was held from March 5 to 14, the sessions being divided between Manila and Baguio. There were present distinguished delegates from Japan, China, Hongkong, Straits Settlements, India, Siam, Ceylon, Federated Malay States, German New Guinea, Tsingtau, and the Netherlands East Indies. The papers presented were of a very high order, and an unprecedented opportunity was afforded for a comparison of methods and results between the men who are now actually doing the sanitary work in the countries named. Some of the work reported upon at this meeting must be regarded as of epoch-making importance. Especially is this true of that relative to beriberi, and the cultivation of the bacilli of leprosy.

It was very conclusively shown that beriberi is the result of insufficient phosphorus in food, and in rice-eating countries is most commonly caused by the too exclusive use of polished rice, which is a comparatively high-priced article. At our own leper colony, where we were making a special effort to give the lepers a good diet by furnishing them with a high grade of rice, we were in reality destroying the health of many of them. The Governor-General has issued an executive order forbidding the use of polished rice in government institutions, and following the change to unpolished rice beriberi has practically disappeared at the leper colony.

Important resolutions dealing with beriberi, opium, bubonic plague, tuberculosis, and leprosy were passed by this association, and were by the delegates communicated to their several governments. These resolutions are set forth in full in the report of the director of health, as is the program of the sessions of the association.

The Philippine government provided for the entertainment of the delegates while in these islands.

THE TRAINING OF FILIPINO MALE AND FEMALE NURSES.

In my opinion, one of the most important and promising undertakings as yet inaugurated in these islands is the training of Filipino female nurses. This work was inaugurated by the Philippine Nor-

mal School, and was continued by cooperation between that institution and the bureau of health, the nurses being given practical training at the civil hospital when ready for it. The transfer of all the work relative to the training of nurses to the bureau of health upon the establishment of the general hospital was contemplated from the outset, and has now been effected by the passage of Act No. 1975. The nurses are, however, still quartered at the dormitory of the normal school, which is so admirably conducted that the life there is no small part of the education of these young women. They will continue to live there until similar opportunities can be provided for them on the hospital grounds. Many of these young women have demonstrated a high degree of fitness for their chosen profession, and I assert, without hesitation, that this undertaking has passed the experimental stage, and must be declared a pronounced success. Private hospitals in Manila have followed the example of the government. There is a regularly organized nurses' training school at St. Paul's Hospital, and native young women are also trained as nurses at the University Hospital and the Mary J. Johnston Hospital. The demand for the services of these young women will be very great, and much time will elapse before it can be met even in the larger cities, and still more before a sufficient number of nurses can be graduated to meet the needs of the municipalities, townships, and settlements of the provinces. This movement is receiving, in large measure, the governmental and private support to which it is entitled on its merits.

The special fitness of Filipino young men to serve as male nurses and hospital attendants has also been fully demonstrated at the civil hospital, and a course has now been provided for them. There were some 300 applicants for the 30 places authorized this year.

The number of students appointed during any one year who are to be supported at government expense may not exceed 30 of each sex, nor may the total number of such students at any one time exceed 100 of each sex, but provision has also been made for the admission of private students. Such students do not receive compensation or allowances other than subsistence, quarters, and laundry.

PUBLIC CEMETERIES.

Regulations relative to the establishment and proper maintenance of cemeteries have been approved by the secretary of the interior after conference with the church authorities and others concerned, and, as a result, there has been a decided improvement in the condition of the cemeteries, and a very marked falling off in the number of quarrels and complaints which formerly arose. The recent improvement in the Manila cemeteries has been especially noticeable, and the Manila city cemetery, known as the *Cementerio del Norte*, is one of the best kept and most attractive institutions of its kind in the Orient. In the provinces one no longer sees the local cemetery assuming the form of a tropical jungle, partially inclosed by broken fences which admit hogs and dogs to root and dig human remains from their shallow resting places, a condition which was by no means unusual a few years since.

FREE DISPENSARIES.

Four free dispensaries are now operated by the government in the city of Manila, and others conducted by private hospitals receive government aid, but the number of these institutions should be increased and their scope widened. Filipino nurses whose training has sufficiently advanced can be used to great advantage in connection with them. I consider the views of the director of health relative to this matter of such importance that they should be quoted in full. He says:

It is sincerely to be hoped that with the adoption of the training school for nurses a new and much-needed work may be definitely started in Manila within the coming year—the establishment of dispensaries in thickly populated quarters of the city, where not only the sick can come for medicines, but where the sick and well can come for instruction and information regarding questions of hygienic living. These dispensaries should be under the supervision of American nurses but with the actual work done by pupil nurses. The work should include lectures on certain days given in the native dialects, concerning the subjects of tuberculosis, beriberi, cholera, dysentery, hookworm, and other diseases prevalent among the people. It should include demonstrations in the bathing, feeding, and care of the sick, with simple instruction in elementary nursing and emergency treatments; it should include cooking of native foods for the sick and well; it should particularly deal with maternity cases, tending to abolish and discredit the superstitious and inhuman practices now in vogue, with simple demonstrations and talks as to hygienic and proper procedure in such cases. Particularly should it deal with the proper feeding of infants, and in this connection experiments with goats' milk for infant feeding might be well demonstrated to the mothers, with comparative statements as to cost, nutritive and digestive properties, in comparison with other milks and foods.

In all features of this work, no more equipment in the way of utensils and materials should be used for instruction than is to be found in the ordinary nipa shacks of the poor. To adapt modern and sanitary principles to actual conditions should be the aim.

Visiting nursing should be done to some extent, if only to keep the health officials informed as to where disease is lurking, where prospective maternity cases are waiting, and whenever possible to induce these patients to enter the hospitals, where they can be properly treated. If homes were regularly visited and inspected by nurses for cases of insanitary practices, neglect of premises and interiors, and if suggestions were tactfully given for the improvement of the same by one of their own nationality, it is believed that the effects would more quickly be felt and seen than by any other method.

STUDY OF PHILIPPINE FOOD PRODUCTS.

In this, as in other countries, the complaint has been made that the cost of living is rapidly increasing. It is unquestionably true that a large portion of the population of these islands is, and always has been, undernourished, and that the resulting bodily weakness accounts for a considerable part of the so-called laziness of the poor people, and explains to a large extent their lack of power to resist disease. It is obviously of enormous importance that the common people should be able to obtain an inexpensive but adequate diet, and the ability to furnish such a diet is also of great importance to the Government, which has to feed the inhabitants of its leper colony, the inmates of its contagious-disease hospitals and insane hospital, its prisoners, and many other persons. It is needless to say that proper and inexpensive diet is fundamentally necessary in connection with the cure, upon a large scale, of persons in the early

stages of tuberculosis. A scientific study of the actual food values of the food products of these islands was undertaken by Prof. Hans Aaron, of the Philippine Medical School, assisted by Dr. H. D. Gibbs, food chemist of the bureau of science, and Dr. George F. Richmond, chief chemist of the same bureau. Results of practical importance have been obtained, and it has been shown that a fairly varied and satisfactory diet may be provided at a cost of 10 centavos per day. The results of this work were brought to the attention of the Government teachers at their regular annual assembly at Baguio, and a strong effort was made to interest them in showing the people how well-balanced dietaries may be kept within the means of the poor rather than in teaching the preparation and use of confections, cakes, pastries, and other expensive American dishes. This very important work will be continued, and other efforts will be made to bring its results to the knowledge of those who should be most interested in them.

STUDIES IN INFANT MORTALITY.

Attention is especially invited to that portion of the report of the director of health which deals with this very important subject. Only a few of the more important facts can be mentioned here. The death rate per thousand among Filipinos in Manila is very high, being 47.65 to the thousand, as against 12.05 for Spaniards, 13.27 for Americans, 14.32 for other Occidentals, and 16.64 for Chinese. This high rate is directly due to the shocking mortality among children, 64.9 per cent of the total deaths being those of children under 5 years of age and 48.8 per cent being those of infants under 1 year of age. Deaths of children under 1 year of age in the United States make but 18.28 per cent of the total. In France they make 20 per cent of the total.

A careful study of the diseases causing this dreadful mortality has been inaugurated. The causes of death assigned in death certificates have been shown to be erroneous in many cases. The average yearly number of deaths of children ascribed to meningitis during a period of nine years was 410, or 34 per month. Investigations by necropsy of children dead from alleged meningitis began in September, 1909. The number of deaths from this disease reported for October dropped to 4, for November to 2, and for December to 3. Of 37 cases of alleged meningitis which came to autopsy but 2 had really died of that disease, while 18 had died of cholera and 10 of beriberi, or some disease closely resembling it. Of 40 cases of deaths of children reported as due to "infantile convulsions," 31 were due to beriberi, or some closely allied disease, and 4 to cholera. Approximately 35 per cent of the total mortality among children under 1 year of age has heretofore been ascribed to infantile convulsions, and as acute meningitis has been another cause very commonly assigned it is evident that there was great necessity for an investigation by unprejudiced and competent persons.

The most important result of the work thus far done has been the demonstration that a very large number of deaths are due to a disease closely resembling beriberi and commonly reported, doubtless in entire good faith, as infantile beriberi. In necropsies performed on 219 infants it was shown to be the cause of death in 124 cases, and

it is without doubt the largest factor in the mortality among Filipino infants in Manila. Grave doubt, however, has now been thrown on its being genuine beriberi, and further investigation as to its nature and cause must be promptly made.

FILIPINO BIRTH RATE.

The birth rate among Filipinos is very high. Official reports show it to be nearly 46 to the 1,000 in Manila for the present year, and this figure is doubtless considerably below the actual one.

CHOLERA IN MANILA.

One case of cholera occurred on July 10, another on July 28, and two cases on August 17, which latter date may be considered that of the beginning of the outbreak. Up to July 1, 1910, the cases had reached the aggregate of only 397. The comparative ease with which the disease has been held in check in Manila is noteworthy. The procedure employed in combating it has been thoroughly systematized, and, in the present instance, house-to-house inspection was in full operation prior to the appearance of the first case. Attention has already been called to the erroneous diagnosis of meningitis in children, where the true cause of death was cholera. During September, autopsies were performed on 28 alleged cases of meningitis, and only 2 proved to be correctly diagnosed, cholera having been the cause of death in 17. Such conduct, or such ignorance, as the case may be, on the part of local physicians greatly complicates the work of the bureau of health in suppressing cholera.

CHOLERA IN THE PROVINCES.

An outbreak which occurred in July in Albay was promptly controlled. A coincident outbreak in Ambos Camarines persisted until November. An outbreak at Hagonoy, Bulacan, was suppressed in 18 days, with 40 cases. Bulacan was later infected from Pampanga during the second week in August, and the spread of infection was not checked until after constabulary soldiers were secured for quarantine guards. They were obtained on September 10, and the disease was brought under control on September 20.

A serious epidemic in Oriental Negros in August affected 12 towns. Eight towns were promptly freed from infection and in four it persisted until near the end of the calendar year. Cholera further appeared in epidemic form at one time or another in Bataan, Bohol, Cagayan, Ilocos Norte, Isabela, Rizal, Cavite, Leyte, Samar, Tarlac, and Tayabas. A very serious outbreak occurred in the city of Cebu, the daily cases rising to a maximum of 73. Hearty cooperation on the part of the local authorities brought the cases down to five per day within a week, and the disease was soon completely stamped out. This outbreak was especially virulent, and its prompt control was one of the best examples of effective cholera work yet afforded. On April 14 a case was reported at Bayombong, in Pangasinan. An investigation showed that there had been infection as early as the 9th, and that it had spread to four towns. There

followed an epidemic very similar to that of 1908 in the same province. Both originated in the same month, spread to substantially the same towns along similar routes, and reached their maximum in the same month. The infection of 1910 was somewhat more widespread than that of 1908, but the total number of cases was much less, there having been 2,722 cases in the early epidemic and 1,515 in the later one.

The continuance of the disease in this province for so long a time was due in a large measure to the indifference of the local authorities, which encouraged the stolid apathy of the common people. The bureau of health has again and again demonstrated its ability promptly to check the worst provincial epidemic when its agents receive hearty and general cooperation from the local authorities and the people. Without such cooperation the fight is at best long drawn out. In the present instance success was not obtained until the Governor-General brought sharply to the attention of the provincial officials the imperative necessity of their cooperation, and threatened indifferent municipal officials with immediate removal. The course of this outbreak is in marked contrast with that of the much more violent and potentially more dangerous outbreak which occurred in Cebu. In the latter case, the Speaker of the Assembly, whose home is in Cebu, the provincial and municipal officials, and the leading business men of the place, including the officers of the Philippine Railway Company, all lent a hand, and the result was most satisfactory. The Pangasinan outbreak was long drawn out, many lives were needlessly lost, and great inconvenience was suffered by the public, because of the lack of hearty assistance from those whose interests were most concerned.

ENDEMIC CHOLERA.

The director of health considers the territory bordering Manila Bay on the north between Crani, in the province of Bataan, and Malabon, in the province of Rizal, to be probably the home of endemic cholera. For two years the disease has disappeared in Luzon during the dry season, except in the region mentioned, which is an extensive, swampy, tidal delta. During the past year cholera has been constantly present in one or another of the provinces included within or bordering upon it. In the dry season, from October to March, the number of cases was reduced to a very low figure, but the disease could not be eradicated.

THE USE OF CONSTABULARY AS QUARANTINE GUARDS.

In most instances municipal policemen have demonstrated their utter inefficiency as quarantine guards. No attempt at general land quarantine has been made except for the protection of remote inland provinces, accessible only by a very limited number of cart roads or trails, so that such quarantine can be made effective. Land quarantine is ordinarily strictly confined to the guarding of infected houses prior to disinfection and of cholera victims and persons who have been dangerously exposed to infection. On account of the demonstrated inefficiency of the municipal police, it has been found necessary to call upon the bureau of constabulary for soldiers to act as guards.

Such assistance has invariably been promptly furnished when practicable, and the service rendered has usually been of a highly satisfactory character, and has, indeed, been invaluable.

LEPROSY.

Encouraging progress has been made in dealing with this disease. Practically all of the lepers in the Philippines, with the exception of those in the Moro Province, have now been segregated. Since the beginning of this work 4,775 lepers have been transferred to Culion. These figures correspond closely with the number estimated to have existed in the islands at the time segregation began. More than 1,700 cases came from Cebu alone, this province, with about one-tenth of the total population of the islands, having more than one-third of the total number of lepers. The lepers segregated during the fiscal year 1910, numbering 785, were mostly in the earliest stages of the disease.

The total number of lepers in the islands is now 2,272, as against approximately 4,700 when the work of segregation began, and the annual number of new cases has fallen from approximately 750 to approximately 300.

Various new remedies alleged to be of virtue in curing lepers have been given a thorough trial during the year, but the use of Chaulmoogra oil and of the X-ray are the two procedures which have given the best results. No positive cures have been effected with the X-ray during the year, but the disappearance of all outward manifestations of the disease has occurred in a number of cases. Chaulmoogra oil continues to give some very encouraging results. At Culion there are two cases from whom all external evidences of the disease have disappeared, although leper bacilli can still be demonstrated in scrapings from the septum of the nose in each case.

At San Lazaro Hospital five cases have shown great improvement and one is apparently completely cured. In general, it can be stated as the result of two years' experience that lepers whose stomachs will tolerate this oil and who can endure the hot bicarbonate of sodium baths which should be used in connection with it, soon show marked signs of improvement.

At the close of the fiscal year word was received that a drug firm had been successful in extracting the essential substance from crude Chaulmoogra oil, and that this substance can be taken internally without causing nausea. A supply of this new product has been ordered and it will be thoroughly tested as soon as it is received.

MALARIA.

Only 110 deaths from malaria were reported in Manila during the year. In most of these cases there was no blood examination and no autopsy was had, so that it is doubtful if malaria caused even this number of deaths, especially as the malaria-carrying mosquito is now very rare in the city. Malarial disease continues to be a serious cause of mortality in many of the provincial towns. The bureau of health has arranged to purchase 2,500,000 doses of quinine for gratuitous distribution during the fiscal year 1911, at the close of which period results will be reported.

BUBONIC PLAGUE.

The islands continue absolutely free from this disease, the last known case of which occurred April 20, 1906. This is especially gratifying in view of its prevalence on the neighboring Asiatic coast. The danger of its reintroduction is now greater than ever before, as ocean-going vessels which touch in plague-infested countries now come alongside the wharves in Manila Bay. All possible precautions are taken to prevent the importation of infected rats by these vessels. The wharves have been made as nearly rat proof as possible. Rat funnels are used on lines between the ships and the shore and gang planks are lifted at night.

SMALLPOX.

The satisfactory results of the antismallpox campaign which has now been vigorously pushed for so many years become constantly more evident. There were 137 cases of varioloid in Manila during the year, without a single death. Indeed, the disease was in many instances so mild that the persons suffering from it objected to being taken from their work and isolated. There were 1,146,333 persons vaccinated. The original plan for the systematic vaccination of the population of the islands was that the insular government should make one complete vaccination of the inhabitants of each province, and that thereafter the municipal authorities should vaccinate, during July and January of each year, all children born since the last systematic vaccination and all unvaccinated persons who had come into the municipality. In many instances municipal officials have been lax, have neglected their duties, or have allowed vaccine virus to become old and inert before using it, while in not a few cases vaccinators have falsified the returns and have not so much as seen persons whom they claim to have vaccinated. This condition of things has been responsible for a number of minor outbreaks of smallpox, and the facts stated indicate that it will be necessary for the insular government to continue to do this work, which can not be safely intrusted to the municipal authorities.

One more province, Antique, has been added to the long list of those whose inhabitants voluntarily seek vaccination against smallpox. When the first attempt was made to vaccinate the people of Antique great opposition was encountered and the lives of the vaccinators were seriously threatened. A considerable number of persons were vaccinated, but a very large number escaped. Upon the reintroduction of smallpox, which soon occurred, the death rate among the unvaccinated became alarming, while the vaccinated were not attacked. As a result vaccinators are now welcomed in communities where formerly their lives were not safe.

In Iloilo Province there was circulated one of the pernicious lies which sometimes so greatly complicate the public health work in this country. The story was to the effect that the vaccine virus had been purposely infected with leprosy and that all persons vaccinated would soon contract that disease. For a time it did much harm.

TUBERCULOSIS.

The appropriation for combating this disease has been expended substantially as planned. Five small experimental houses have been constructed at Baguio, where incipient cases have been very successfully treated. At the free dispensary, conducted by the Philippine Medical School, for which the bureau of health furnishes drugs and other supplies, some 1,500 cases are now being treated monthly. Difficulty was encountered in securing a proper site for a tuberculosis camp near Manila. This difficulty has now been overcome. A camp has been established and is now in operation. At this place the incipient cases only will be treated.

It is urgently necessary that facilities should be provided for the care of persons hopelessly sick with tuberculosis who are serving as centers of infection or are without means of support. Accommodations for 60 such persons will be provided at the San Lazaro Hospitals as soon as possible. On September 1, 1910, the Philippine Anti-Tuberculosis Society was formed. It has since been incorporated and has begun active work. It has the following committees:

- Scientific committee.
- Hospital inspection committee.
- Membership committee.
- Education committee.
- Census and statistics committee.
- Entertainment committee.
- Organization committee.
- Publicity committee.
- Ways and means committee.
- Legislative committee.
- Legal committee.
- Clinic committee.

Through this society, which is in no sense a government affair, it is hoped to bring about a general awakening of the people to the importance of combating the spread of tuberculosis and of curing its victims, and to disseminate very widely information as to how this may be done. The bureau of health will render every possible assistance to the society in its work.

Tuberculosis is the principal cause of death in these islands. It is a preventable, and in its early stages a curable, disease. The time has come when a determined campaign against it should be inaugurated. Experience in other countries shows that money spent in intelligently combating it is more than well invested. I recommend that the appropriation of funds to be used by the bureau of health for this purpose during the present year be increased by ₱60,000, and that there be a liberal appropriation of funds to be expended directly by the Philippine Anti-Tuberculosis Society during the present fiscal year.

THE BAGUIO HOSPITAL.

This institution is no longer run in part as a sanitarium. Admissions are confined to persons in need of medical and surgical treatment. Its usefulness continues to grow. Four hundred and seventy-nine patients were admitted for hospital treatment and 3,460 were treated in the out-patient department, the increases over last year

being 29 per cent and 49 per cent, respectively. The establishment of tuberculosis cottages in connection with this hospital has already been referred to. The main building has been improved in many ways, and is now lighted by electricity.

HEALTH CONDITIONS AT IWAHIG PENAL COLONY.

Conditions at the Iwahig penal colony afford a very complete demonstration of what modern sanitary methods can accomplish in the Tropics. The Spaniards attempted to establish a penal colony at this place, but were compelled to abandon the effort on account of the ravages of malaria. The present site for the colony has been obtained by clearing away virgin forest. Similar forest still surrounds it on every side. The daily average of sickness among the colonists has been but 2.88 per 100, and the yearly death rate but 19.25 per 1,000, in spite of the fact that a large number of persons suffering from tuberculosis were sent to the colony in the hope that life in the open air would prove beneficial. Many of them were, however, already hopelessly ill. There were no deaths from malaria.

REPORT OF THE DIRECTOR OF HEALTH.

Persons especially interested in the work of the bureau of health are referred to the very full annual report of its director. This report gives information relative to the work of several divisions of the bureau which it is not possible to touch upon here. Indeed, it goes much further than this, and embodies information relative to health work performed by other bureaus of the insular government, or even by the governments of other tropical countries. In short, it is a kind of compendium of information relative to health matters in the Philippines, supplemented by information relative to health matters in other countries. Ordinarily, bureau chiefs of the department of the interior are required to limit their annual reports to statements pertaining directly to the work of their bureaus. The attention of the present director of health, and that of his predecessor, has often been called to the fact that they are not doing this. The reply has invariably been that persons in other countries displayed so much interest in all matters pertaining to public health in the Philippines that the labor of replying to the very numerous requests for information received was burdensome, and that it was quite necessary to have available a printed publication which would cover the ground. For this reason I have not, in the case of the director of health, insisted on a strict enforcement of the general rule, although the danger that the individual reader may fail to discover the special information which he desires because of the bulk of the report is obvious.

EXAMINING BOARDS.

The board of medical examiners, the board of pharmaceutical examiners, and the board of dental examiners are, for administrative purposes, placed under the director of health.

Their annual reports are necessarily almost purely statistical.

The medical examining board makes a strong protest against the "cirujano ministrante" as a practitioner and states that the time is

rapidly approaching when he must be eliminated from the field or removed to remote towns and provinces, as originally proposed. It refers to the depredations committed by the unlicensed midwife upon society, asks for her elimination also, and expresses itself as in conformity with the suggestion of a recently appointed committee of the Manila Medical Society, that a definite time limit for the legal recognition of both cirujano and midwife be fixed. In the same report, under the heading "violations of the medical act," it enumerates only one prosecution and one license to practice withdrawn.

Attention is invited to the fact that the law as it now stands forbids "cirujanos ministrantes" practicing except in remote towns and provinces and makes it unlawful for an uneducated, unlicensed midwife to practice midwifery. It would seem, therefore, that the remedy for the conditions complained of by the board is to some considerable degree within its own hands.

There are doubtless many very ignorant and incompetent cirujanos ministrantes practicing medicine and surgery in these islands, and the midwives are, as a class, even more uninstructed and incompetent. On the other hand, there has come under my personal observation very excellent work on the part of a number of cirujanos ministrantes. In view of the well-known tendency of Filipino physicians to flock to the few large cities, more especially Manila, and of their disinclination to go to the more remote provinces, even when offered very remunerative government employment, I am not disposed to recommend that there be a time limit for the legal recognition of either cirujanos ministrantes or midwives in these remote regions until it can be shown that more competent persons are ready and willing to take their places.

BOARD OF PHARMACEUTICAL EXAMINERS.

For some time there had been ugly rumors relative to irregularities on the part of members of the board of pharmaceutical examiners, but no facts were ascertained which justified an investigation until August, 1909, when tangible evidence became available. A committee was appointed consisting of Señores Primo Hizon, Mariano Ocampo, and Manuel Zamora, all Filipino pharmacists; Dr. Almon P. Goff, of the board of medical examiners, and Dr. A. P. Preston, of the board of dental examiners, to investigate and report upon the matter. Upon the organization of the committee the three Filipino pharmacists were made a technical subcommittee to investigate the methods of the board. Their investigation was impartial and searching and entitled them to the thanks of this department, which were extended to them. Connivance between two members of the board and candidates for examination was conclusively shown, and these members were dishonorably discharged. Charges had been made against the remaining member of the board, who was its secretary-treasurer. It was shown that he had stood firmly against the dishonorable methods of his associates, and he was completely exonerated.

THE MARINE QUARANTINE SERVICE.

The marine quarantine service of the Philippine Islands, conducted by officers of the Public Health and Marine-Hospital Service of the United States, under the supervision of Dr. Victor G. Heiser,

who, as director of health, has charge of the bureau of health as well, has performed its work with its usual high degree of efficiency and has prevented the importation of a single case of quarantinable disease from any foreign country, although the islands were menaced by dangerous outbreaks of plague and smallpox on the neighboring Asiatic coast. The officers of the quarantine service have, furthermore, cooperated heartily and effectively with those of the bureau of health in preventing the spread of communicable diseases within the limits of the Archipelago and, as usual, have rendered much valuable service to other bureaus of the government. The assistance rendered to the bureau of agriculture in preventing the introduction from abroad of dangerous communicable diseases has been especially important. To this end vessels have been disinfected, hides from provincial cattle have been inspected and disinfected, and the officers from the Marine-Hospital Service at foreign ports have cooperated in the enforcement of the regulations of this government.

The immense volume of work handled by the officers of this service has been conducted so expeditiously and so considerately and courteously that I have not received a single complaint from any source whatsoever during the year.

For the first time in many years a general inter-island quarantine has not been necessary at any time during the period covered by this report. The improvement in sanitary conditions throughout the Archipelago has been such that all incoming and outgoing inspection of inter-island vessels was discontinued, except for a short period and for vessels from certain infected ports.

A concise and very complete statement of the work of the quarantine service will be found in the annual report of the chief quarantine officer for the Philippine Islands.

FORESTRY.

By Act No. 1872 of the Philippine Legislature the privilege of the free use for private purposes of all kinds of timber from the public forest has been continued for a period of five years. This extension complicates considerably the operations of employees of the bureau of forestry, for the reason that violations of the aforesaid law and rules when detected are usually rightly or wrongly charged against persons exercising the free-use privilege. I am, nevertheless, of the opinion that the beneficial results gained will, under existing conditions, far more than compensate for the difficulties thus created.

SALE OF PUBLICATIONS BY THE BUREAU OF FORESTRY.

Many of the publications of the bureau of forestry have been called for so persistently that large editions have been exhausted. It is believed that this is in part due to the fact that not a few persons who had no real need of them asked for them because they were distributed free of charge. It was therefore decided to make a small charge for certain of the publications of the bureau. This plan has been successfully applied to the distribution of "The Forests of Mindoro," which is sold at ₱1.60, "A Forest Map of Mindoro," sold at ₱1, and to other publications.

FOREST EXHIBIT.

The bureau of forestry made a very attractive and instructive exhibit at the Philippine Carnival, where it attracted much attention. It was subsequently used to form the nucleus of a more complete permanent exhibit, for which fairly adequate quarters have been provided in the Anloague Building. On account of the great commercial importance of Philippine forest resources, this exhibit will be developed as rapidly as space and funds will permit.

FILIPINOS IN THE FOREST SERVICE.

The personnel of the bureau of forestry is at present made up as follows: A director (American), ten foresters (American), one topographer (Spanish), three assistant foresters (all Filipinos), thirty-two rangers (all Filipinos), three draftsmen (all Filipinos), one wood expert (American), one forest nurseryman (American), fifteen clerks (eleven Filipinos, four Americans).

Two of the three assistant foresters were appointed this year after completing their studies in the United States. Several other Filipino students are taking up forestry work there, and a class in forestry has been started by cooperation between the bureau of forestry and the Agricultural College.

There is no conceivable reason why we should not have Filipino foresters, if competent Filipinos will take the trouble and spend the time necessary properly to fit themselves for the performance of this work, which ought especially to appeal to them in view of its intimate connection with the future commercial development of the Archipelago. I regard the facts above stated as hopeful signs that the Filipinos are beginning to take a proper interest in the work of the bureau of forestry.

CAIÑGINS.

The continued making of unauthorized caiñgins, or forest clearings, is, and will doubtless long remain, a great menace to the forests of the Philippines. It is so much easier to fell the trees on a piece of forest land, burn the felled timber, cultivate for a short time the land thus cleared and enriched, abandon it as soon as tropical weeds and grasses begin to encroach, and to repeat the operation ad infinitum, than to hold to the cultivation of a given piece of land year after year, that the temptation is great. The indolent and irresponsible have, throughout the provinces, very generally continued the practice of making unauthorized caiñgins, and it is certain that they will continue to do so until made to feel the heavy hand of the law. There can be no reasonable doubt that this process, long continued, has resulted in the needless and disastrous deforestation of practically the whole island of Cebu, and of very extensive areas on all of the other important islands of the Philippines, while there has been nothing like an adequate compensating gain to offset this wanton destruction.

The problem involved in checking the abuses connected with caiñgin making is one of many perplexities. The wild man in the mountains has practiced agriculture in this way, if at all, for centuries. As yet he is in most instances profoundly ignorant of the

law, and to prosecute him for an infraction of it under such circumstances, or to prevent him from obtaining the vegetable portion of his diet in the only way at present known to him, would be unjust, especially as much of the timber which he destroys is in regions so inaccessible that it is extremely unlikely ever to be of any commercial value.

It is interesting to note that the wild men, and the wild men only, among the Filipinos, have in some instances learned by their own experience the importance of avoiding needless and useless forest destruction. There are a number of important Bontoc-Igorot towns the forests of which are most carefully preserved by the wild men themselves, who do not allow the cutting of anything but imperfect trees and small branches until the perfect trees reach a certain size, or need thinning out.

Among the Christian Filipinos there is a class which in their ignorance of the law and in their inability to make a livelihood except by the cultivation of *cañingins*, must be classed very near the wild men. They also should be leniently dealt with until they can be taught better.

Unfortunately, there is also a large class who know well enough what the law is, and who violate it deliberately and needlessly. They are entitled to little consideration.

There remains a class consisting of the wealthy few who deliberately encourage the ignorant and the poor to violate the law in order that they may participate in the profits resulting from such violation. The maximum legal penalties should be imposed on them. It is, unfortunately, as difficult to secure evidence against them and their tools and agents as it is easy to convict the savage or the poor ignorant *tao*.

It is evident that the forest law should be enforced with discretion in order to avoid the working of grave injustice, and it is equally evident that if it is not more effectively enforced than is now possible with the men and means available, needless, useless, and ruinous deforestation will continue. I am of the opinion that the force of men employed to check this destruction should be promptly and considerably increased, and I commend to the consideration of all thoughtful persons that portion of the annual report of the director of forestry which deals with this important subject.

COMMUNAL FORESTS.

The establishment of communal forests for municipalities and townships is progressing steadily, but decidedly less rapidly than is to be desired, as is shown by the fact that but 42 such forests have thus far been set aside, while there are 91 applications pending. This work will be expedited as much as possible with the limited force of forest employees available.

Unfortunately, the funds at the disposal of the insular government are strictly limited. More than a year ago the director of forestry advanced the view that the employment of additional guards and other forest employees at important strategic points would not only greatly decrease the loss from unauthorized *cañingins*, but would result in an increase in the receipts of the insular government through

the collecting of revenue which now escapes us, and that this increase would be sufficient to far more than make up for the additional expense involved. He was allowed funds sufficient to enable him to carry out his idea in two forests where large companies were operating. The organization of a working force, and the performance of preliminary work of one sort and another, occupied so large a portion of the first year that it is not yet possible to make a full statement as to the results to be anticipated, but it can be said that the work already performed has demonstrated the fact that the government was suffering considerable and avoidable loss of revenue, and the further fact that there exists an urgent necessity for an early amendment to the law relative to the measurement of timber, and for a revision of the present distribution between the bureau of forestry and the bureau of internal revenue of powers relative to the measurement of timber and the collection of government charges thereon.

FOREST STUDIES.

Important studies have been carried on in connection with both of the forests above mentioned and in the forest on Mount Arayat in the province of Pampanga. The results of this work and further details relative to other work of the bureau of forestry will be found in the annual report of its director.

BUREAU OF SCIENCE.

The first part of the annual report of the director of the bureau of science is given up to a concise historical statement showing the rapid growth of the bureau, the continual assignment of new duties to it, the importance of the work accomplished by it, and the promising new fields of investigation which have not been entered, but which ought to be entered, together with a statement of the more urgent needs of the bureau and a request for an increased appropriation in order that these needs may be met. All of the statements made by the director of the bureau of science are true, and he clearly shows that an increased appropriation might be expended very advantageously and would make possible the performance of valuable work.

Unfortunately, however, the funds at the disposal of the insular government are by no means unlimited, and the government can not spend what it does not have, no matter how attractive the opportunities for investment may be. The argument of the director of the bureau of science on this subject is commended to the careful consideration of the Philippine Legislature.

BIOLOGICAL LABORATORY.

There have been serious losses to the staff of the biological laboratory during the year owing to the transfer of Drs. William E. Musgrave and Vernon L. Andrews to the faculty of the Philippine Medical School and the resignation of Doctor Coca, who has returned to the United States, where abundant material is available for the prosecution of his work on carcinoma. Dr. Philip E. Garri-

son, passed assistant surgeon, United States Army, whose services we were very loath to lose, was ordered to return to duty in the United States and Dr. Y. K. Ohno has gone to Europe. Three of the positions thus vacated have not yet been filled, so that the laboratory is at present short handed.

INVESTIGATION OF SURRA.

Until within the past year the persistent efforts of European and American scientists to find a remedy for this disease, which causes such dreadful losses among equine animals, have been entirely barren of results. Dr. Oscar Teague, working under the direction of Dr. Richard P. Strong, director of the biological laboratory, with a series of the chemical preparations of Prof. Paul Ehrlich, of Frankfurt, furnished through the courtesy of that distinguished scientist, has demonstrated that monkeys artificially infected with surra may be completely cured by the injection of one-tenth of a gram of arsenophenyglycin for each kilogram of their body weight. Extensive experiments were also performed with horses.

Twenty horses were treated in all. Of these, eight recovered, nine died apparently from poisoning, and with three the treatment was discontinued owing to a shortage of the drug.

The experiments made at the Alabang government stock farm were carried out under unfavorable conditions, which did not preclude the reinfection of animals which had been freed from the disease. It is believed that the cases above mentioned furnish the first authentic instances of the radical cure of surra, and they afford strong encouragement for the continuance of the work. Dr. Karl J. Oechslein, of the chemical laboratory, is now engaged in synthetic chemical work along lines suggested by Doctor Strong in the hope that he may be able to compound a remedy which will be effective in destroying the organisms causing surra, but will be less dangerous to the animals suffering from the disease than is the cure which has been discovered.

HYDROPHOBIA.

The existence of this disease in the Philippine Islands has now been definitely demonstrated by the isolation of Negri bodies from the brains of dogs suffering from it. This work was performed by Maj. Eugene R. Whitmore, of the United States Army Medical Corps, who was detailed for duty with the bureau of science. Dr. F. W. Dudley, formerly an officer of the bureau of health and later a member of the faculty of the Philippine Medical School, assisted Doctor Whitmore in obtaining material for examination from the provinces and from Manila. Doctor Dudley is of the opinion that hydrophobia is far more prevalent in these islands than has heretofore been supposed. The matter is worthy of further serious investigation and will receive it.

Doctor Whitmore undertook a journey to Saigon for the purpose of bringing back to Manila in animals the strain of fixed virus used at the Saigon Pasteur Institute. He was successful in his mission, and the laboratory has been able to keep this strain alive. Previous efforts to import a strain of this virus from Japan and keep it alive here had all failed. The organisms thus obtained died owing to climatic or other conditions at Manila.

HOOKWORM INVESTIGATIONS.

Upon request of the director of health some 6,000 examinations for hookworm were made at Las Piñas and 7,700 in the Cagayan Valley. In the first instance 11 per cent of the persons examined were found to be infected with hookworm, while 89 per cent had intestinal parasites of some sort. In the second case approximately 38 per cent were infected with hookworm and 80 per cent had intestinal parasites of some form. Of 100 Igorot children examined at Baguio, 32 per cent had hookworm. A majority of the hookworm infections were mild, and indications that they were causing disease were absent. The last two statements hold for practically all hookworm cases thus far observed in the Philippines.

The number of routine examinations performed by the biological laboratory steadily increases. For the fiscal year 1909 it was 26,874; for 1910, 34,913.

SERUM DIVISION.

This division prepares all vaccines, sera, and prophylactics used by the bureau of health and the bureau of agriculture. Facilities for the production of antirinderpest serum have been enlarged and improved. Tests of the activity of antirinderpest serum were made regularly for the bureau of agriculture, and the necessity of these tests was conclusively demonstrated. The quality of the vaccine virus continues uniformly satisfactory. Twenty-three other prophylactic vaccines and sera were prepared as required.

The search for the organism which causes rinderpest has continued to be fruitless. The susceptibility of cattle to rinderpest has been investigated and has been shown to be highly variable, certain animals of a herd requiring far more serum than others to afford protection.

THE RED ROT OF SUGAR CANE NOT PRESENT IN NEGROS.

The reported existence of red rot in sugar cane in Occidental Negros was promptly investigated, but a thorough search failed to reveal any trace of this or other cane disease due to parasitic fungi or bacteria. Philippine sugar cane is very free from plant diseases, and should be kept so. In my opinion, early attention should be given to the passage of legislation prohibiting the importation of living plants, or of plant products, from countries where dangerous diseases are known to exist, except under such conditions as will make the introduction of disease impossible. The fact that these islands are now free from such diseases is no reason for failure to enact such legislation, which exists in most other civilized countries, but rather affords strong argument for its early enactment, as in this instance we should not be "locking the stable door after the horse is stolen."

SILK CULTURE.

The commercial practicability of carrying on silk culture in these islands has been demonstrated by the bureau of science beyond the peradventure of a doubt. The worms introduced from Ceylon nearly

four years ago continue to remain perfectly free from disease. They have been crossed with worms from Japan with the result of improving the silk without decreasing the number of generations (8) which they produce annually. Mulberry trees, which have been planted on the grounds of the bureau of science, and in large numbers elsewhere, have grown exceptionally well, and have remained free from disease. The silk industry is one admirably suited to the tastes and abilities of Filipino women, and it now only remains to interest the people of the islands in it. A good deal was accomplished along this line by the exhibit made by the bureau of science at the Philippine Carnival, where the entire process, from the time the eggs were hatched until the silk was spun upon a modern machine, was demonstrated; but *costumbre* (custom) is a powerful factor in the commercial development of the Philippine Islands, and it is not yet the custom to grow silkworms, or to spin raw silk. I concur in the opinion of the director of the bureau of science that the best agency for interesting the people is the bureau of education. Teachers from districts where silk may advantageously be produced should be sent to the bureau of science and trained, and should then be supplied with material and returned to their posts, in order that they may disseminate the necessary information and start the industry in their respective districts.

The bureau of education has already sent five teachers to the bureau of science for training. They were subsequently assigned to industrial schools in Albay, Cebu, North Ilocos, Pangasinan, and Pampanga. Arrangements have been completed to transfer the silk-spinning machine, now housed in the bureau of science, to the Philippine Agricultural College at Los Baños, where it will be used for the purpose of instruction. This institution will also give instruction in the growing of the worms. At least one thoroughly competent expert in silk spinning should be brought to these islands as soon as possible to aid in this work.

An important advance has been made by the successful introduction of the Eri silkworm, which feeds on the leaves of the castor bean. This plant grows generally throughout the islands as a weed. The Eri worms are propagating freely, and are producing silk of excellent quality. A proper machine for reeling this silk has recently been received.

DESTRUCTION OF MOSQUITOES.

Much attention has been given by one of the entomologists to the study of mosquitoes, with a special view to a systematic campaign against them in the city of Manila where they are a great nuisance. At one time such a campaign was considered well-nigh hopeless on account of the extensive low flooded areas lying within the city limits. These swampy regions form ideal breeding places for mosquitoes. They can not be drained, as they are below sea level at high tide. It will cost millions of pesos to fill them. Now, however, it seems to have been quite conclusively shown that the mosquitoes coming from such places rarely enter dwellings, and that the species which causes so much annoyance to the inhabitants of Manila breeds in cesspools or other convenient places, often on the premises of those who suffer from their attacks. A vigorous antimosquito campaign

has now begun in Manila, with seemingly very satisfactory results. Mr. C. S. Banks, the entomologist above referred to, is not infrequently called into the provinces to give advice relative to the best means of destroying mosquitoes in regions where the malaria bearing *Anopheles* is abundant. Fortunately the mosquitoes of this genus are rare in Manila.

INTRODUCTION OF BLACK BASS SUCCESSFUL.

The effort to introduce black bass from the United States into some of the mountain waters of Benguet has been completely successful. A small breeding pond has been established, and young fish for distribution have been successfully reared. The colonial authorities of Hongkong have shown a lively interest in the results of this experiment, and we have been glad to accede to their request for young fish to plant in their reservoir system. Fish were successfully transported to Hongkong in charge of Mr. Alvin Seale, of the bureau of science. Others have already been transferred to Philippine lowland waters which are believed to be suitable for them, and this work will be pushed during the coming year. It is hoped that waters not now inhabited by edible fish can thus be made to afford a source of food supply.

DIVISION OF CHEMISTRY.

The routine work of this division has steadily increased, and the public has taken more advantage than ever before of the opportunity to utilize its services.

It has suffered a serious loss in the resignation of Mr. George F. Richmond, who for three years had been chief of the chemical laboratory. It is a regrettable fact that the very important investigation which he conducted into the value for paper making of certain materials, which are produced abundantly in these islands, has not as yet led to the investment of capital here, but that it has led to the investment of capital in China, where a bamboo similar to the Philippine species investigated by Mr. Richmond, is to be had in abundance, and that Dr. Richmond himself has been called away to assist in the work at a salary more than double that which we were able to pay him.

CEMENT TESTING.

Mr. Reibling's very interesting cement testing experiments and investigations led to his visiting Hongkong and Haiphong at the invitation of cement manufacturers at those places. He was able to make practical suggestions which have resulted in their shipping to these islands a much more uniform quality of cement, and to gather information of great practical value to him in his work.

SUGAR INVESTIGATIONS.

Mr. Herbert S. Walker, the sugar chemist, sent to Iloilo to take charge of the sugar-testing laboratory at that place, has been able to visit numerous sugar estates in Negros, and to make very valuable

practical suggestions to a number of sugar growers and manufacturers, which have resulted in increasing the quantity and improving the quality of their output. He has published the results of his investigations in a pamphlet entitled "The Sugar Industry in the Island of Negros." His paper is of very great practical value to sugar growers throughout the islands, as well as to those interested in really reliable information as to the present status of the sugar industry in the Philippines. Its publication in Spanish has been urged, and I am of the opinion that it should be published in that language.

Mr. Walker has taken up the island of Negros by districts, giving the average production per hectare for each district, the nature of its soils, the amount of land under cultivation in sugar, the quality of the sugar cane produced, the results of actual mill tests, the amount of sugar lost by present methods, the cost of production, and an estimate of the actual money advantage which would result from the introduction of modern centrals.

ALCOHOL INVESTIGATIONS.

The Philippine alcohol industry is important, and is susceptible of great development. Dr. H. D. Gibbs has, during the past year, been investigating the methods employed in the production of alcohol in the Philippines, the materials from which it may be derived, and their distribution and value. The work performed includes, among other things, a comprehensive investigation of the juices obtained from the buri palm, the nipa palm, and the coconut palm. Its results, which should be of great practical value to manufacturers of alcohol, will soon be published. Incidentally, the fact has been brought out that the juices from the nipa palm and from the cocoanut palm contain from 9 to 17 per cent of sugar, so that the possibility of the commercial manufacture of sugar from them is worthy of serious consideration.

VALUE OF PHILIPPINE MINERAL RESOURCES.

In its annual report on the mineral resources of the islands, the division of mines shows the total value of the mineral products for the calendar year 1909 to have been ₱2,240,047, as against ₱1,347,886 for the previous year. This publication contains a series of brief statements relative to the progress of mining in the several mineral districts, and has special articles on "The Geology of the Philippines," "Cyanide Practice in the Philippines," and "Forest Conditions in the Aroroy District," which are of practical value to miners.

The Tayabas oil fields have attracted much interest during the year, and a large number of claims have been located. One company now has a well-drilling outfit on the ground, and results of practical tests will soon be available.

THE MUSEUM.

A good ethnological collection is on exhibition in the building on Calle Anloague, which is at present utilized for museum purposes, and great advance has been made in classifying and cataloguing du-

plicate ethnological material. The beginnings of a commercial exhibit of Philippine products have also been made. This exhibit is installed on the ground floor of the building above referred to. The collection of forest products is especially interesting and valuable.

I am of the opinion that the time has come when more serious attention should be given to the development of a museum with adequate commercial, ethnological, zoological, and botanical exhibits.

The building at present occupied is unsuitable for museum purposes on account of its location, but it would be very valuable for business purposes, and I strongly recommend that, if not required for other uses of the government, it be sold, and that the proceeds of such sale be used for the erection of a modern museum building on a suitable site convenient for the public and consistent with the Burnham plan for the development of Manila. It is almost impossible to exaggerate the educational value of a really good museum, and a proper commercial exhibit of the mineral, forest, agricultural, and manufactured products of these islands would be of very great practical value in stimulating the development of their now rapidly growing trade.

INVESTIGATIONS RELATIVE TO NONCHRISTIAN TRIBES.

The results of Mr. Emerson B. Christie's work among the Subanuns of Mindanao have been published during the year.

Mr. John M. Garvan, who knows the Manobos, the Mandayas, and the other wild peoples of the Agusan River Valley far better than any other white man has ever known them, has been engaged as a temporary employee in order that he may complete his investigations and may make his results available for others. They will be particularly valuable to government officials and employees in their work for the advancement of the people of these tribes.

With the funds available for the work of the bureau of science, the sum which can be used for the publication of the results of ethnological work is strictly limited. Fortunately there is a steadily increasing demand for the publications of this bureau, and the funds derived from their sale materially reduce their ultimate cost.

Further information as to the work of the bureau of science, much of which can not even be referred to in this report, may be had by reference to the annual report of its director.

THE WEATHER BUREAU.

The director of the weather bureau, in transmitting his annual report, says with truth that its work is of such a nature as ordinarily to exclude happenings of extraordinary importance. Nevertheless it is of the utmost importance to the shipping interests of these islands, and of very great value to neighboring countries, and I am glad to report that it has progressed with even more than its ordinary smoothness.

TYPHOON WARNINGS.

Although the Archipelago was visited during the year by several destructive typhoons, which caused very heavy loss of property, and

some loss of life as well, their arrival was in each instance duly predicted, so that there was ample opportunity to take such precautions as it is possible to adopt to minimize the effect of these terrific storms.

EARTHQUAKES.

One hundred and twenty-one earthquakes were felt in the islands, this being, curiously enough, precisely the yearly average for the period from 1902 to 1909. The delicacy of the seismographic instruments at the Manila Observatory may be judged from the fact that they recorded earthquakes which occurred in Mexico, Beluchistan, and Greenland.

A NEW MAGNETIC OBSERVATORY.

The usefulness of the magnetic observatory of Manila was necessarily destroyed by the establishment of an electric railway system in the city in 1905. A new observatory has now been established at Antipolo, 18.5 kilometers east of Manila, where, it is believed, there will be no interference from electrical current generated for commercial purposes. New buildings, costing some ₱4,800, have been erected without expense to the insular government.

THE BAGUIO OBSERVATORY.

A time ball and typhoon signal have been added to the mountain Mirador observatory at Baguio and are operated on a tall mast placed on the highest point of Mount Mirador, so that they can be seen all over Baguio, except when shut in by drifting clouds. The service thus rendered is highly appreciated by the Baguio public, especially during the period the insular government is at the summer capital. Both the observatory itself and the magnificent view it commands are of great interest to the public, as is shown by the fact that more than 3,000 persons visited it during the year.

PUBLICATIONS.

The usual publications of the bureau have been issued regularly, and its monthly reports have now been brought as nearly up to date as is feasible in view of the time required to communicate with the remote outlying stations and the further delay necessarily involved in printing them. Particularly interesting special publications have been "A Description of Mirador Observatory," which contains a summary report on climatic conditions at Baguio; a "Catalogue of Violent and Destructive Earthquakes in the Philippines," embodying all available information on this subject from the discovery of the islands to the present time, and "The Return of Halley's Comet and Popular Apprehensions." The latter publication served a very useful purpose in reducing to a minimum the fear not unnaturally engendered among the ignorant by the appearance in the heavens of this spectacular visitor.

Further details relative to the work of the bureau will be found in the report of the director.

BUREAU OF LANDS.

FRIAR LANDS.

The bureau of lands has been fortunate in being able to sell to Mr. E. L. Poole at the price fixed by law the entire San Jose estate in Mindoro. This estate was without occupants, was surrounded by unoccupied, unclaimed public land of very excellent quality, which could be purchased at a lower rate or could be leased, and was situated on a very sparsely settled island, so that its sale in small parcels was impracticable. The price at which it was lawful to sell it was augmented each year by the interest on the sum paid for it and by any administrative expenses which might be incurred in connection with it.

Mr. Poole's object in purchasing it was to establish a great sugar estate with a modern central factory; a consummation greatly to be desired both on account of the value to Philippine sugar growers of such a practical demonstration of the superiority of modern methods of sugar growing and extraction, and because of the opportunity offered for profitable employment to Filipino laborers, some of whom were already leaving the islands for the sugar fields of Hawaii.

This transaction, which was in every way advantageous to the people of these islands, led to an attack in Congress upon the friar-lands policy and the public-land policy of the Philippine government. In a communication addressed to the Governor-General of the Philippine Islands and published in a document entitled "The Friar-land Inquiry. Philippine government," I have made a full reply to the charges made and the matter need not again be referred to here further than to say that the work of selling the friar estates has progressed steadily and that there is every reason to believe that all occupants of friar estates will have had an opportunity to purchase their holdings prior to January 1, 1911. Full details as to transactions connected with friar lands and public lands will be found in the annual report of the director of lands for the year ended June 30, 1910.

PUBLIC LANDS.

Public land transactions still continue to be of insignificant importance. The number of homestead applications was 1,427 as against 1,854 for the previous year. There was an increase in sales applications from 45 to 68, and in the area covered by them from 544 hectares (1,360 acres) to 3,861 hectares (9,652 acres). The number of lease applications more than doubled, being 74 as against 33 for the previous year, but there was only a slight increase in the area covered, the total being 10,500 hectares (26,250 acres) as against 8,096 hectares (20,240 acres) for the previous year. The total area of public lands covered by applications of all kinds was but 32,554 hectares (81,385 acres) as against 33,650 hectares (84,125 acres) for the previous year.

The ridiculous smallness of this total in a country which is "land-poor," and where conditions of soil and climate are ideal for the production of sugar, tobacco, Manila hemp, coconuts, rubber, gutta

percha, coffee, cacao, and rice, seems to demand explanation. Although the Philippine Islands are to-day, owing to the favorable climatic and soil conditions, the greatest coconut-producing country in the world, it has been made practically impossible for a man to own a coconut plantation here unless he can buy private land, for he can not purchase more than 40 acres of government land, which at 54 trees to the acre would give him a total of 2,160 trees, making no allowance for land needed for building sites or otherwise unavailable. As these islands have thousands of square miles of the best coconut land lying idle, the wisdom of the provision is not apparent.

Similarly, the islands have very extensive unoccupied and uncultivated areas perfectly adapted to the growing of rice. They ought not only to feed their own people liberally, but to export rice in large quantities to China and other neighboring countries where there is a strong demand for it. Instead of doing this, they imported during the year rice to the value of ₱6,643,924. The obvious remedy for this situation is cultivation upon a large scale with modern methods and machinery, but there would be ground for doubt as to the sanity of a person who would import modern machinery to work a 40-acre tract of rice land.

An effort has been made to show, by comparing our total population with the estimated total area of agricultural land, that the amount of such land per capita is limited as compared with that in various other countries. The fact is that a very small area will support a native family here. There are comparatively sterile regions where a dense agricultural population flourishes, as for instance in Siquijor, with 434 inhabitants to the square mile, and in Cebu, with 336 inhabitants to the square mile, according to the census of 1905. Siquijor is one huge limestone rock, very thinly coated with soil. Since the census was taken its population has increased to some 55,000, or about 519 to the square mile. If these dry stony islands will support such a population, how many could find room in Mindoro, with its 4,024 square miles of enormously rich bottom lands and fertile mountain sides and its population of 10 to the square mile; in the island of Palawan, with its 2,389 square miles and its population of 12 to the square mile; in the uninhabited islands between Palawan and Balabac, with their unsurpassed advantages for the growing of coconuts; in Mindanao, which might become a little empire by itself; in Leyte; in Samar; in Masbate; in the provinces of Sorsogon, Albay, and Camarines; and in the enormous rich and uninhabited plains of Nueva Vizcaya, Isabela, and Cagayan, to say nothing of the fertile valleys opening on the east coast of Luzon and to-day occupied only by a few hundreds of wandering Negrito hunters?

I repeat and emphasize the recommendation which I have made annually since the adoption of our present land laws, that in order to make possible the reasonable commercial development of this essentially agricultural country these laws be amended and made more liberal.

A second reason for the smallness of the transactions in public lands is found in the indifference of the Filipino as to whether he has a title to his holdings so long as he is allowed to squat on them undisturbed. Needless to say he is at present allowed to do so. We are only too glad to get the land cultivated under any conditions.

Finally, Filipino owners of immense estates in too many instances continue effectively to use their great influence to prevent their poor and ignorant neighbors from interesting themselves in the homesteading, lease, or purchase of land in order to retain them as laborers upon their own estates.

Some other amendments to the public land act are advisable. It should authorize the sale of tracts of land to be used for trade and business purposes and for cemetery purposes. Land needed for such purposes must now be purchased as agricultural public land, and the existing provision that such land must be occupied and cultivated for five years before title to it can pass is obviously, in these cases, needlessly burdensome, if not actually impracticable of bona fide fulfillment. In order to avoid the difficulty in the case of cemeteries, we are holding that ordinary parking is "cultivation," but no one wants to live in a cemetery, and the provision as to occupation is, therefore, difficult of fulfillment. The whole difficulty is, of course, the result of oversight when the law was enacted.

The director of lands further recommends that section 61 be so amended that if a claimant obtains a decree the cost of the survey of the land shall be a lien against the property, and that no certificate of title shall issue until such lien has been discharged.

It seems desirable further to amend the public land act by naming the officers before whom final proof on a homestead entry can be made, and by imposing upon such officers the obligation to conduct final proof proceedings when requested to do so.

ABUSES OF HOMESTEAD PRIVILEGES.

It has been discovered that in very numerous instances persons who have filed applications for homesteads are stripping the commercial timber from the lands covered by such applications and then abandoning them. Indeed, it has occurred that when homestead applications were denied after examination by the bureau of forestry and determination of the fact that the land covered was more valuable for forest purposes than for agriculture applicants have persistently appealed from this decision and have then stated that they could find no land subject to homestead entry, although unforested agricultural land was to be had in almost unlimited quantities. An effort must be made to check these abuses.

TOWN SITES.

The number of town sites established under the provisions of chapter 6 of the public land act steadily increases. The establishment of such town sites brings about several important results. It makes obligatory the segregation of private holdings within the area included, facilitates the establishment of proper street and lot systems and the construction of sanitary barrios, and last, but by no means least, gives to residents an opportunity to purchase small tracts of land for residence purposes, for which they may promptly secure Torrens titles without first occupying and cultivating their holdings for five years, as they must do in order to secure title to town lots under the present burdensome provisions of law, unless a town site is first established.

This last consideration alone will doubtless in the future make necessary the formal establishment of numerous town sites, unless the public land act is properly amended.

The total receipts from the sale of lots in the Baguio town site up to June 30 were ₱54,468.05. These funds have been used for the improvement of Baguio and have made possible the construction of quite an adequate street and road system.

COST OF SURVEYS.

By careful attention to detail a material reduction has been made in the cost of surveys during the year, the average cost per lot for property surveys being ₱29.46, as against ₱38.65 for the previous year, and the cost per hectare ₱2.20, as against ₱3.72. While this reduction is gratifying, it is nevertheless true that the cost of surveying small individual holdings is still often very excessive. This is due in no small degree to the fact that the tracts desired are all over the islands, so that the cost of the necessary travel in connection with their survey is very great. Were all private holdings in a given area to be surveyed at one time, the cost of surveys would become moderate, and there would be the further important result that the public domain in such regions would be sharply delimited.

The director of lands has elaborated a plan for compulsory registration of private holdings in entire districts under the provisions of section 61 of the public land act. I believe that it is practicable and in the public interest. It is now being given a practical test in the municipalities of Pangasinan, where landowners are willing to cooperate with the government in carrying it out. They are pleased with the results. It is estimated that the cost of surveys when made in this way will be reduced by at least one-half.

MINING CLAIMS.

There has been little change in the situation so far as concerns coal claims. One hundred such claims have been applied for during the fiscal year, but the applications appear to cover ground practically identical with that covered by located claims during the previous year. A lively interest in developing other mineral resources of the islands has been manifested. The total number of mining locations exceeds those made during the previous year by 1,383. Eight hundred and forty-four petroleum locations were made in the Tayabas oil fields, and there has been a steady and healthy growth of interest in the new well-known gold fields of Benguet, Nueva Ecija, Ambos Camarines, and Masbate. In the province of Pangasinan there have been 229 locations, and it is stated that placer mining for gold in several of the rivers of the province promises well.

Twenty-nine patents were issued for lode claims, all in the province of Benguet.

Patents have been requested for three gold mining claims in Masbate, and surveys are in progress for 12 other claims in Benguet and 5 in Masbate which will probably be patented during the present year.

Continued difficulties in connection with the recording of mining claims demonstrate the necessity of having this work performed by provincial treasurers, and the passage of enabling legislation is recommended.

RESERVATIONS.

Forty-four reservations have been made during the year; 15 for lighthouse purposes, 16 for school purposes, 3 for the Philippine constabulary, 4 for public parks, 4 for public civil purposes, while 1 was for a highway, and 1 was a water-shed reservation.

SCHOOL FOR SURVEYORS.

The very important work of this school, which has for its object the training of young Filipinos as surveyors, continues to progress satisfactorily. Eleven members of the senior class took the junior surveyor's examination in October and 9 of them passed. The next class took their junior surveyor's examination in April and 14 candidates out of 18 passed. In both cases the young men who passed were promptly sent into the field. One deserted his work and was therefore discharged. The chiefs of survey parties under whom the others have worked have reported very favorably upon them. The present enrollment of the school includes 16 junior surveyors in the field, 18 apprentice surveyors doing second-year work, and 18 student surveyors in the junior class, making a total of 52. Not only is this school accomplishing valuable work in training young Filipinos to survey correctly, but it is in effect self-supporting, as the value of the work performed by the students for the Government more than compensates for the cost of their salaries and of their instruction.

The annual report of the director of lands gives very full details as to the work of his bureau. As this information is largely statistical, and therefore not susceptible of great condensation, those who are interested in the details of the work of the bureau of lands are referred to this report and to the pamphlet entitled "The Friar Lands Inquiry, Philippine Government," heretofore mentioned.

Respectfully submitted.

DEAN C. WORCESTER,
Secretary of the Interior.

To the PHILIPPINE COMMISSION,
Manila, P. I.

REPORT OF THE SECRETARY OF COMMERCE
AND POLICE.

REPORT OF THE SECRETARY OF COMMERCE AND POLICE.

DEPARTMENT OF COMMERCE AND POLICE,
Manila, November 3, 1910.

GENTLEMEN: I have the honor to submit the following report of the department of commerce and police for the fiscal year ended June 30, 1910, unless otherwise stated. The undersigned did not assume charge of the department until February 14, 1910, and the greater part of the year's work was done under the supervision of his predecessor.

GENERAL CONDITIONS.

In the last annual report attention was called to the passage of the Payne bill on August 5, 1909, and to the anticipated beneficial results to the commerce of the islands. These anticipations have been more than justified, as appears from the following table, which shows the exports and imports for the 12 fiscal years since American occupation:

Year.	Imports.	Exports.	Total.
1899.....	P26,233,134	P29,280,334	P55,513,468
1900.....	41,202,876	39,642,694	80,845,570
1901.....	60,552,400	46,444,696	106,997,096
1902.....	64,058,714	49,089,716	113,148,430
1903.....	65,956,890	66,300,240	132,257,130
1904.....	66,442,502	60,452,254	126,894,756
1905.....	61,758,096	64,711,730	126,469,826
1906.....	51,598,580	63,837,084	115,435,664
1907.....	57,572,126	67,443,534	125,015,660
1908.....	61,837,490	65,659,632	127,497,122
1909.....	55,588,964	62,088,916	117,677,880
1910.....	74,123,850	79,773,704	153,897,554

CORPORATIONS.

SUPERVISION—FOREIGN CORPORATIONS.

In addition to the executive control and supervision of the bureaus of constabulary, public works, navigation, posts, coast and geodetic survey, and labor, and the offices of the consulting architect and the supervising railway expert, the secretary of commerce and police is charged with the general supervision of all corporations other than building and loan associations, banks, and trust companies. No foreign corporation other than one of those mentioned can engage in business in the Philippine Islands until after it has obtained a license for that purpose from the chief of the division of archives, patents, copyrights, and trade-marks, of the executive bureau. on

the order of the secretary of commerce and police, who is required before issuing such order to satisfy himself that the applicant corporation is solvent and in good financial condition.

During the year orders for licenses for 19 foreign corporations were issued. Of these, 9 are American, 6 British, 1 French, 1 Japanese, 1 Dutch, and 1 Belgian.

The importance of this work of supervision is increasing very rapidly, and methods are being devised for obtaining systematic information as to foreign applicant corporations and full knowledge of the character and methods of business of the corporations now engaged in business in the islands.

Foreign corporations, particularly those engaged in the insurance business, are beginning to realize that there is here a vast and fertile field awaiting cultivation.

SUPERVISING RAILWAY EXPERT.

CONSTRUCTION.

The following table shows the kilometerage of railroad lines authorized by law in the Philippine Islands, with the length constructed, to be constructed, and in operation on June 30, 1910:

Road.	Author- ized.	Con- structed, in operation.	Con- structed, not in operation.	To be con- structed.
Manila Railroad Co.....	¹ 1,315.5	567.0	16.0	¹ 732.5
Manila Electric Railroad and Light Co.....	45.0	39.8		5.2
Manila Suburban Railways Co.....	19.9	9.9		10.0
Tarlac Railway Co.....	20.6	20.6		
Daet Tramway Co.....	7.2	7.2		
Philippine Railway Co.....	368.6	168.1	29.0	171.5
Insular Coal Co.....	12.0	12.0		
Totals.....	1,788.8	824.6	45.0	919.2

¹ Approximate.

EARNINGS.

The increasing prosperity of the islands is reflected in the earnings of the various railroad lines during the past year. The following table shows the earnings of the various systems during the fiscal years 1908, 1909, and 1910:

Road.	Gross earnings, 1908.	Gross earnings, 1909.	Gross earnings, 1910.
Manila Railroad ¹	P2,179,532.37	P2,152,738.28	P2,047,623.70
Philippine Railway.....	(²)	226,215.47	383,945.00
Manila Electric Railway.....	1,060,615.27	1,026,376.20	1,124,612.31
Manila Suburban Railways.....	158,432.55	190,756.00	215,670.40
Tarlac Railway.....	23,057.98	25,883.92	28,486.30
Daet Tramway.....	14,531.01	16,938.40	20,651.66

¹ Calendar years 1907, 1908, and 1909, respectively.

² No information.

Road.	Operating expenses.		
	1908.	1909.	1910.
Manila Railroad ¹	P1,001,721.75	P1,027,296.16	P911,017.88
Philippine Railway.....	(²)	177,918.81	308,595.69
Manila Electric Railway.....	569,398.78	594,662.78	606,211.34
Manila Suburban Railways.....	71,954.30	95,823.99	123,441.22
Tarlac Railway.....	16,086.87	32,530.22	29,081.12
Daet Tramway.....	12,708.44	12,542.73	13,179.37

Road.	Net earnings.		
	1908.	1909.	1910.
Manila Railroad ¹	P1,777,811.22	P1,125,442.12	P1,136,605.82
Philippine Railway.....	(²)	48,296.66	75,349.31
Manila Electric Railway.....	491,216.49	431,713.42	518,400.97
Manila Suburban Railways.....	86,478.25	94,932.01	92,229.18
Tarlac Railway.....	6,971.11	³ 6,646.30	³ 594.82
Daet Tramway.....	1,822.57	4,395.67	6,472.29

¹ Calendar years 1907, 1908, and 1909, respectively.² No information.³ Deficit.

MANILA RAILROAD COMPANY.

In the last annual report attention was called to the fact that by Act No. 1905, passed May 19, 1909, a franchise was granted the Manila Railroad Company for the construction of approximately 260 kilometers (161.46 miles) of new track, and that under the authority of the act of Congress of February 6, 1905, the government of the Philippines had agreed to guarantee the payment of 4 per cent per annum interest on bonds to be issued for the construction of the lines south of Manila and the new branches thus authorized. The franchise was formally accepted by the Manila Railroad Company on August 2, 1909. The Secretary of War approved the waiver of the lien of the then existing mortgage on the southern lines, and the contract became effective January 28, 1910.

An engineer has been secured from the United States for the purpose of locating the Baguio line, and the prospects are good for the early commencement of the work.

The location of the line which is to connect with the deep-water harbor at Manila and the new docks is under consideration. It has been determined that the railroad shall approach from the north, and cross the Pasig River near its mouth, but the exact location has not yet been determined. Tentative plans for the bridge over the Pasig River have been prepared, and the question of their approval by the government is pending.

During the year the Manila Railroad Company completed 38.4 kilometers of grading, 34.6 kilometers of track, and put 27.4 kilometers of line in operation, as compared with 13.1 kilometers of grading, 48.4 kilometers of track, and 66 kilometers of line put in operation during the fiscal year 1909.

On April 11, 1910, the Governor General gave formal notice to the Manila Railroad Company that surveys upon the new lines authorized under the provisions of Act No. 1905 must be commenced within 60 days.

None of the guaranteed lines under Act No. 1905 had been placed in full commercial operation at the end of the fiscal year.

Under Act No. 1510 the Manila Railroad Company was required to have 240 kilometers of its lines completed on September 12, 1909. This had been substantially complied with, as on that date 235.1 kilometers had been completed. Act No. 1905 extends the time of completion of the lines covered by Acts Nos. 1510, 1714, and 1905 to September 12, 1918. On June 30, 1910, there remained to be completed approximately 732.5 kilometers of line, which will require the construction of about 90 kilometers per year to fulfill this condition of the contract.

PHILIPPINE RAILWAY COMPANY.

The work of construction upon the island of Cebu is substantially completed. The line is 95.6 kilometers (59.4 miles) in length, and construction bonds have been issued thereon at the rate of ₱66,778.24 per kilometer (\$53,737.38 per mile).

On the island of Panay there were during the year 71.1 kilometers (44.2 miles) technically in construction operation, with a total of 96.5 kilometers (60 miles) in actual construction operation.

The line between Iloilo and Capiz is now so far completed that trains are running over its entire length. Notice has been served on the company that construction accounts on this line must be closed on July 1, 1911.

During the year 30.2 kilometers (18.4 miles) of grading were completed, and 32.1 kilometers (20 miles) of track were laid.

The construction of the line upon the island of Negros has been postponed until such time as the government shall deem it advisable to have the work commenced.

BUREAU OF CONSTABULARY.

PERSONNEL.

There have been comparatively few changes in the personnel during the year. Col. J. G. Harbord, assistant director, returned from leave of absence on March 15, 1910, and Col. Mark L. Hersey returned on October 5, 1909. Col. Thomas I. Mair has been absent on leave since March 22, 1910, and Capt. J. B. Bennett, inspector for constabulary, since March 5, 1910.

STRENGTH.

There has been a gradual reduction of the constabulary force. Five years ago the actual enlisted strength was 6,967 men. On account of the limited appropriation available the authorized strength was in August last reduced by 470 men of the line, a reduction of nearly 10 per cent. The discontinuance of the three district bands resulted in a further reduction of about 100 men.

The present authorized strength of the constabulary is 315 officers and 4,271 enlisted men, to which must be added 17 officers and 100 enlisted men in the medical division, and 1 officer and 80 men of the band.

The actual strength of the constabulary on May 31 was 296 officers and 4,130 enlisted men, 17 officers and 95 men of the medical division, and 1 officer and 80 men with the band, a total of 314 officers and 4,305 enlisted men, distributed throughout the Archipelago in 138 stations. The director, four of the assistant directors, and three inspectors are detailed from the Regular Army.

This reduction has been made too rapidly, has reduced the force below the minimum number required for the best work, and has made it absolutely necessary to deny proper and reasonable applications for stations and detachments.

ASSISTANCE TO OTHER BUREAUS.

Much efficient work has been performed by the constabulary in assisting the bureau of health to stamp out cholera and the bureau of agriculture in its campaign against rinderpest and surra.

SCOUTS.

No troops of the Regular Army or scouts have been on active field duty except in the Moro Province, nor have any scouts been detailed for duty under the insular government.

CONSTABULARY SCHOOL.

The Constabulary School at Baguio provides newly appointed officers with three months' special instructions before assignment to work in the provinces. Additional buildings for the school are being constructed. The course during the year has been attended by 53 officers, of whom 43 were Americans and 10 Filipinos. Since the establishment of the school 222 officers have taken the course.

STORAGE OF ARMS.

There are on deposit with the constabulary in a bodega under Fort Santiago, temporarily loaned through the courtesy of the commanding general, 571 firearms belonging to local dealers in the city of Manila, and 7,133 belonging to private individuals. These arms are the private property of the owners, who either do not desire license to have them in their possession, or have been unable to procure the license. The cost of caring for, cleaning, oiling, and keeping in condition these arms is approximately ₱5,000 per annum. It costs about ₱2,000 a year more to keep the arms stored in Fort Santiago, on account of the extra employees and extra transportation demanded due to the distance, than it would to store them in the ample bodegas in the headquarters building. This additional expense for a period of five years would construct a steel or cement room in our bodegas in which to store these arms.

MUNICIPAL POLICE.

Reports concerning the inefficiency of the municipal police continue to be received. The law which makes the term of municipal officials expire with that of the president renders it impossible to secure the benefits of continuous training in police duties. The senior inspectors of constabulary throughout the islands inspect the municipal police of all the towns, and their reports during the past six months have been especially unfavorable. The men who have had the benefit of instruction for the last two years have nearly all been discharged and their places filled with new men. Neither the constabulary nor the provincial governor nor the provincial board have, under the law, much control over the municipal police. There is no doubt that the law should at least be so amended as to except the municipal police from the operations of article 26 of Act No. 82.

BUILDINGS.

No appropriation was available for the construction of permanent buildings at constabulary stations. Sixteen temporary structures were erected at a total cost of ₱13,175. Experience shows that it is more economical to erect even temporary buildings, that last four or five years, than to pay the excessive rents which are charged for suitable buildings in many of the towns. A liberal amount has been appropriated for construction and much-needed repairs during the coming year.

PENSION AND RETIREMENT FUND.

A small pension and retirement fund has been established from a small monthly contribution by the officers and enlisted men. It has never received any aid from the government. On January 1 last this fund amounted to ₱151,537.62. The annual income is about ₱27,384, and about ₱9,000 has already been paid for pensions. There are now on the pension rolls 59 persons—1 officer, 4 widows of officers, 23 widows of enlisted men, and 31 enlisted men retired for disability in service. The causes for pensions now paid are: 30 due to death or wounds received in action, and the balance, 29 for disability from other causes and illnesses in the line of duty. The present annual outlay is about ₱4,560. This is increasing about ₱1,000 each year, and will probably continue at this rate until 1921, when it is expected that additions to the pension list will be offset by deaths. There will be no retirement by age until about 1921.

With the existing sources of income and the natural increase to be paid for pensions, the constabulary in 1921 will be in a position to pay for the retirement of but two officers a year for five years, after which the outlay will exceed the income. The longer action is delayed in devising and adopting an adequate and suitable plan for the formation of a retirement fund, the more difficult it will be to accomplish it.

As stated in the report of the director, when we consider the great advantage which will accrue to the government from having officers and noncommissioned officers who will make the constabulary a career if suitable provision is made that when worn out in service they will

not be a burden on relatives and friends, and the fact that it is clearly the duty of the government to at least pay the pensions of officers and men who receive total or permanent disability in this service, and to care for the widows and orphans of those who are killed or die from disease contracted in the line of duty, it would seem that the time has arrived when the subject should receive serious consideration.

CONDITION OF ORDER.

Peace conditions have been good throughout the Archipelago. When we consider the smallness of the force as compared with the great extent of country, the number of people living in sparsely settled districts and remote places, and the difficulties of transportation, it is apparent that the protection given to life and property has been remarkably effective.

BUREAU OF COAST AND GEODETIC SURVEY.

The joint arrangement between the Government of the United States and the government of the Philippine Islands under which the coast and geodetic survey is operated remains unchanged. The office force, consisting of 48 employees, has given satisfactory service.

Because of lack of material, the geographical division is not making as rapid progress as is desirable. It was created for the purpose of collecting, indexing, and filing maps, sketches, reports, and geographical data which may be of value for reference, and for the compilation of a new map of the islands. With the exception of the bureau of lands, the various bureaus of the government do not seem to have complied with the terms of executive order No. 80 of August, 1908.

The five steamers and one launch operated by the field force of 253 men performed the following work during the year:

Triangulations.

Square miles of area covered.....	23, 988
Signals and scaffolds erected.....	500
Stations occupied.....	271
Geographical positions determined.....	653
Elevations determined.....	211
Magnetic stations occupied.....	8

Topography.

Square miles of area covered.....	1, 708
Miles of detail coast line surveyed.....	1, 637
Miles of rivers and creeks surveyed.....	454
Miles of roads surveyed.....	255
Topographic sheets completed.....	66

Hydrography.

Square miles of area sounded.....	9, 385
Miles run while sounding.....	19, 208
Number of soundings made.....	378, 023
Tidal stations established.....	51
Hydrographic sheets finished.....	59
Current stations occupied.....	12

At the close of the fiscal year, 46.6 per cent, exclusive of Spanish and British surveys, of the entire general coast line of the Archi-

pelago had been surveyed for charting, compared with 36.3 per cent at the close of the fiscal year 1909, an advance of 10.3 per cent. The total amount now surveyed, in distance, is 5,368 statute miles (8,638.99 kilometers) of the entire length of 11,511 statute miles (18,525 kilometers) of general coast line.

The general coast-line survey work shows the following results:

Year.	Statute miles surveyed.	Kilometers.
1905.....	358	576.15
1906.....	431	693.63
1907.....	828	1,332.54
1908.....	944	1,519.23
1909.....	760	1,223.11
1910.....	1,190	1,915.12

There was thus an increase of 56.6 per cent for 1910 as compared with 1909.

All field parties make tidal observations. Two self-registering tide gauges, one at Manila and the other at Iloilo, are generally maintained throughout the year. The bureau has loaned two self-registering gauges to the United States engineers, who are operating them at Corregidor and Grande Islands. The records of all observations are used in the compilation of tide tables, which are published annually. Regular magnetic observations are also made.

The total cost of the work during the year, including salaries, wages, repairs to vessels, outfit, and running expenses of both field and office force, was ₱541,183.08, of which ₱328,000 was paid by the United States and ₱213,183.08 by the government of the Philippine Islands. The average cost per statute mile of coast line surveyed in 1910 was ₱330.59. This total cost includes not only the topography of the coast survey, but also the triangulation and hydrography of the adjacent areas, the tidal observations, computations, compiling, drafting, and all expenses necessary in the preparation of the work for publication.

BUREAU OF LABOR.

The bureau of labor was created by Act No. 1868, enacted June 18, 1908, but its organization was not completed until the beginning of the fiscal year 1910. An appropriation of ₱18,500 for its support during the fiscal year 1908 was made, and this was increased by ₱8,000 allotted by the Governor-General under the authority of Act No. 1902. The bureau thus commenced work on July 1, 1909, with ₱26,500 for its support.

The personnel is now well organized, with a director, assistant director, chief clerk, and 14 employees in various capacities.

During the fiscal year 23 complaints and claims by laborers were submitted to and considered by the bureau. Much attention was given to the investigation of labor accidents. The records show that 123 occurred, of which 18 were fatal. Forty-six of these occurred in the city of Manila.

Free employment agencies were established and are being maintained with reasonably satisfactory results in Manila, Cebu, and Iloilo.

Thirteen strikes occurred and two more were threatened. The work of the bureau in the adjustment of these difficulties is entitled to commendation.

Important and valuable statistics were collected with reference to laborers and wages in Manila and the provinces. Efforts were made and are being continued to induce laborers to emigrate from overpopulated islands to others where the population is insufficient and the wages much greater. The results to date have not been very encouraging, as the Filipino laborer seems to prefer discomfort in the place where he was born to comfort in a neighboring island within sight of his home.

The director of the bureau has recommended to the Legislature the enactment of laws—

(a) Defining the powers of the director of labor as inspector of factories, shops, railroads, tramways, vessels, industrial and commercial establishments, and other places or centers of work, whether public or private, and the duties of the proprietors, managers, or persons in charge of such establishments and places;

(b) Prohibiting the employment of females or males below the age of 16 years during certain hours;

(c) Providing that the wages of all laborers shall be paid by the week; to fix the maximum hours of daily labor, which shall not exceed 9 hours per day, or 54 hours per week; and to provide that all fines imposed upon laborers for any just cause be in accordance with a schedule of fines previously prepared by the employer and approved by the bureau of labor;

(d) Requiring employers within a designated time to inform the municipal presidents of the pueblos in the several provinces of the Philippine Islands and the director of the bureau of labor of such accidents, strikes, and lockouts as may occur in their establishments;

(e) Regulating the emigration of laborers from the Philippine Islands; and

(f) Providing for the regulation of private employment agencies.

The careful consideration of these recommendations and the forms of bills submitted therewith is recommended to your attention.

Full details of the work, and a very interesting and valuable analysis of the statistics which have been gathered, will be found in the report of the director of the bureau.

BUREAU OF NAVIGATION.

PERSONNEL.

At the close of the fiscal year the bureau of navigation had 2,619 officers and employees. Of this number 182 were Americans, 2,141 Filipinos, and 296 Chinese, the latter being employed principally as blacksmiths, boiler makers, and carpenters.

COMMISSIONED AND ENLISTED COAST GUARD SERVICE.

Act No. 1980, enacted April 19, 1910, provides for a commissioned and enlisted service within the bureau of navigation, the creation of a pension fund in connection therewith, and the punishment of offenses against good order and discipline. Under the authority of the

law a force similar in character to that of the constabulary is being organized for performing on water services similar to those performed by the constabulary on land. The work of enlisting men and securing commissioned officers is proceeding. Because of the provision that only citizens of the United States or of the Philippine Islands can be commissioned, it was necessary to let some efficient officers go, but the policy is a correct one, and no difficulty will be experienced in filling their places with men of equal efficiency. Regulations governing the duties and discipline of officers and crews of vessels have been prepared in accordance with the act, and have received the approval of the undersigned.

DIVISION OF VESSELS.

There are at present under the supervision of the division of vessels 1 cable ship of 2,744 gross tons, 15 cutters, each of 411 gross tons, 6 seagoing launches, 17 harbor and river launches, 2 auxiliary kerosene ketches, 1 auxiliary gasoline ketch, 2 sailing sloops, and 1 gasoline boat, all of a total value of ₱2,349,600.

The principal addition to the fleet during the year was the cable ship *Rizal*, which arrived in Manila on March 24. In recent years, because of inadequate facilities, it has been difficult to keep the old cables in repair, but the work can now be done without serious delay. The *Rizal* will also be used for the purpose of carrying coal for the government, and can be made to earn considerable money toward her maintenance without seriously competing with commercial boats.

The operation of cutters and seagoing launches on secondary commercial routes has been continued, with the result that many of the ports of the islands which would otherwise remain isolated are furnished with good transportation facilities. As business is thus stimulated and the routes become commercially possible, they will ultimately be taken over and managed by private enterprise.

INTER-ISLAND TRANSPORTATION OFFICE.

Results have amply justified the policy of government supervision of inter-island shipping. Reasonably prompt and regular service to all important parts of the islands is maintained on nearly all the contract routes of the bureau of navigation. During the year 15 contract routes were operated, on which the vessels received subsidies of ₱225,393.80. Seven secondary routes were maintained by vessels under the supervision of the bureau of navigation, and one nonsubsidized steamer was operated under the supervision of the office on route No. 4.

MARINE RAILWAY AND REPAIR SHOP.

The plant of the marine railway and repair shop is now fully equipped to care for all vessel, road roller, and automobile repair work of the insular and provincial governments. The sawmill which was installed during the year enables the bureau to manufacture lumber as required at a very substantial reduction in the cost to the government. The marine railway is able to handle vessels of 1,100 gross tons, and a smaller railway will soon be constructed for the docking of launches and other small water craft.

LIGHTHOUSE DIVISION.

When civil government was organized there were 27 lights in operation and 31 buoys in position. At the beginning of the fiscal year there were in operation 139 lights, 53 beacons, and 126 buoys. During the year 5 new lights, 3 additional beacons, and 4 buoys were established, and 1 light and 3 buoys were discontinued. The total in place on June 30, 1910, was 143 lights, 56 beacons, and 127 buoys. The operation of these lights required 173 keepers and assistants, 37 apprentices, and 69 boatmen, all Filipinos. During the coming year these employees will be enlisted, as required by Act. No. 1980.

Two semaphore stations, one on Corregidor Island and one on Engineer Island, are maintained under the supervision of the lighthouse division. All the lighthouse repair work is done by the lighthouse division shop, under the supervision of the master mechanic on Engineer Island. The demand for new lights continues to increase, and will be met as fast as the appropriations allow.

DIVISION OF PORT WORKS.

Considerable additional work was done in and about Manila Harbor and the Pasig River. There were dredged from the river, the inner basin of the deepwater harbor, and various esteros 508,722 cubic meters of mud, sand, and gravel. Twenty-five and six-tenths linear meters of river wall were completed at a cost of ₱33,584.17. Repairs to the old wall between the Binondo Canal and the river mouth were made, at a cost of ₱3,660.84, and the San Mateo revetment, along the left bank of the Mariquina River, was extended to a total length of 500 meters, at a cost of ₱13,181.39.

Owing to wave action and uneven settlement, it was necessary to place 7,654.89 tons of stone along the side slopes of the south breakwater.

The new steel piers were considerably improved. A water supply and fire protection system was provided, the pier shed roofs partially painted, a system of electric lights installed, and other similar work done, at a total cost of ₱32,605.

During the year, 1,120 linear meters of gravel roadway, with curbing, storm water drains, etc., were constructed upon the reclaimed area adjacent to the new sea wall at Cebu, at a cost of ₱44,160.40. Since the close of the fiscal year this work has been progressing, and the streets along the water front will soon be in good condition.

The concrete river wall at Iloilo was extended 158.2 meters, making a total length of 241.2 meters now completed. The total value of the work in place at the close of the year was ₱245,736.78, of which ₱18,305.75 worth had been done by the contractor and ₱227,431.03 by the division of port works. The total expenditure upon the river wall during the year was ₱193,660.71.

During the year 1909 an allotment of ₱250,000 was made from funds provided by Act No. 1954 for dredging the harbor, and a contract for the work was entered into with the Atlantic, Gulf and Pacific Company. At the close of the fiscal year 1909, 551,745 cubic meters of material had been dredged, and the work was progressing

satisfactorily. Since that time an additional allotment of ₱150,000 has been made for the continuation of this work.

The investigation of rivers and harbors to determine the advisability and practicability of their improvement has been continued throughout the year. During the past and preceding years 46 ports in various provinces have been surveyed, and provisional plans for the development of the most promising prepared.

Some important work was done in the province of Batanes. This province is surrounded by dangerous waters and reefs, and during certain seasons of the year is practically unapproachable. In order to, in a degree, overcome these natural disadvantages, two channels, respectively 91.44 and 152.4 meters in length, 6 meters in width, and 1 in depth at low water, were established through the barrier reef at San Vicente, Sabtan Island. A channel of the same character, 106.68 meters in length, was blasted out at Ibana, Batanes, and another of the same dimensions at San Vicente, island of Batan. A small marine railway for the care of the launch recently purchased by the provincial government was constructed at Santo Domingo de Basco. These and other improvements will enable the province to handle shipments of cattle and products with much greater facility than ever before.

During the year 39 lighthouse reservations were surveyed, 14 of which were reserved for lighthouse purposes by executive order.

BUREAU OF POSTS.

PERSONNEL.

No important changes were made in the personnel of the bureau. The total number of employees on June 30, 1910, was 1,571, an increase of 204 over the preceding year, and of whom 191 are Americans and 1,380 Filipinos, as compared with 197 Americans and 380 Filipinos in 1904.

POSTAL DIVISION.

At the close of the fiscal year there were in operation 556 post, 118 money-order, 293 savings-bank, and 211 telegraph offices, an increase over the preceding year of 3 post, 39 money-order, 42 savings-bank, and 49 telegraph offices.

The postal revenues increased 15 per cent; stamp sales for postal purposes, 15.7 per cent; postage collected on second-class mail matter, 6.2 per cent; and box rents, 0.9 per cent.

Free-delivery letter-carrier service is being extended as rapidly as possible and is now in operation in a portion of the offices of 31 provinces. During the year it was established at 80 additional offices outside of Manila.

Twenty-four Philippine publications were discontinued as second-class matter and 24 were admitted, leaving the total number 73, the same as of June 30, 1909.

Of registered mail, 111,371 pieces were received, an increase of 3 per cent, and 434,981 were registered at Philippine offices, an increase of 14.8 per cent over the preceding year.

An increase of ₱8,817.72 in the cost of transporting mails on the 14 railway mail routes, of 709.2 kilometers in length, was occasioned

by the extensions of the service on lines of the Manila Railroad Company.

Subsidized steamers under contract are performing mail service on 14 interisland routes, supplemented by 4 routes on which service is rendered by the bureau of navigation. There was a material increase in the service of commercial steamers not under contract.

There were paid to commercial vessels and to foreign governments for carrying Philippine mails to the United States, foreign ports, and through foreign countries ₱133,420.41.

There were received from the United States 71 mails, an increase of 4, and from foreign countries 655, a decrease of 109.

There were forwarded to the United States 85 mails, an increase of 11, and to foreign countries 588, an increase of 35.

There were sent to foreign countries 1,165 parcels-post packages, an increase of 209, and there were received from foreign countries 4,273, an increase of 588.

There were received at the dead-letter office and disposed of in various ways 1,744 registered articles, 75,327 ordinary letters, and 2,144 ordinary packages.

MONEY-ORDER DIVISION.

The following comparative statement of the money-order business for the fiscal years 1909 and 1910 shows a substantial increase of business:

	1909	1910
Number of orders issued.....	126, 148	151, 357
Amount of orders issued.....	₱8, 017, 355. 96	₱9, 781, 670. 48
Fees collected.....	₱48, 515. 38	₱57, 837. 86
Number of orders paid and repaid.....	77, 018	93, 665
Amount of orders paid.....	₱5, 511, 935. 30	₱6, 801, 058. 72
Average amount of each order issued.....	₱63. 55	₱64. 62
Average amount of each order paid.....	₱71. 56	₱88. 30
Deposits of money-order funds received at Manila from provincial offices.	₱4, 845, 225. 94	₱5, 913, 620. 70

The increase in the number of orders issued is 25,209, or 19.9 per cent.

The increase in the value of money orders issued amounted to ₱1,764,314.52, or 22 per cent; in the amount of the fees collected to ₱9,322.48, or 19.2 per cent; in the number of orders paid to 16,647, or 21.6 per cent; and in the value of money orders paid to ₱1,289,123.42, or 23.4 per cent.

During the year 2,138 telegraphic transfers of money were made by means of the money-order service, representing ₱744,229.38, for which ₱2,532.40 were collected in money-order fees and ₱2,203.86 on the telegrams required to make the transfers.

TELEGRAPH DIVISION.

At the close of the year 6,217.96 miles of insular telegraph wires and 1,861.844 of insular cables were in operation, an increase over the previous year of 1,056.76 and 26.702 miles, respectively. There were in operation 429 telephones, with 3,008.78 miles of wire.

The lack of a cable ship for the first nine months of the year caused much complaint of the telegraph service, as well as a very material loss in revenue, but the work is now proceeding satisfactorily, and it is believed that no further cause for complaint will arise. The cable ship *Rizal* is now in commission, and is rendering very satisfactory and efficient service.

A new wireless station at Malabang was completed and put in operation in October, 1909.

The telegraph business for the fiscal year is shown by the following table:

Item.	Number sent.	Value.
<i>Paid telegrams.</i>		
Insular, provincial, and municipal, official.....	126,552	₱96,250.06
Federal Government, official.....	16,162	17,477.58
Commercial.....	295,960	217,154.32
Total for fiscal year 1910.....	438,674	330,881.96
Total for fiscal year 1909.....	360,200	277,372.84
<i>Free telegrams.</i>		
War Department, official.....	13,096	20,342.22
Navy Department, official.....	2,697	3,782.04
Other Federal Government departments, official.....	84	70.02
Total for fiscal year 1910.....	15,877	24,194.28
Total for fiscal year 1909.....	425,365	394,919.36

This includes the business of offices operated by the United States Army Signal Corps. The free telegraph service for the year shown above covers only the period from July 1 to October 3, 1909, and the federal paid business covers only the period from October 4, 1909, to June 30, 1910. The commercial telegraph business increased more than 17 per cent.

At the beginning of the year there were 52 Filipino students in the telegraph school conducted by the bureau of posts. During the year 135 students were admitted, 88 were given positions from the school, 20 resigned, and 6 were dismissed.

REVENUES AND EXPENDITURES.

Receipts from operation show an increase of 15 per cent in the postal, 31.8 per cent in the money-order, and 21 per cent in the telegraph division, or a total for the year of ₱959,275.41, as compared with ₱813,020.01 for the fiscal year 1909. The expenditures for the year amounted to ₱1,476,811.79, as compared with ₱1,346,633.51 for the preceding year, an increase of ₱130,178.28.

POSTAL SAVINGS BANK.

The Postal Savings Bank closed a successful year with 13,102 active accounts and net deposits amounting to ₱1,679,246.35, a net increase of 4,320 depositors and ₱230,287.79 in deposits.

From the time of the organization of the bank the percentage of Filipino depositors, as compared with the total of all depositors, has

steadily increased. Thus, in 1907 it was 35 per cent; in 1908, 44.84 per cent; and in 1909, 56.16 per cent. During the past year it has grown to 65 per cent.

Forty-three postal savings banks were established, and one was discontinued, making a total of 293 banks in operation on June 30.

The increase in the volume of business by the various banks with the central office has been correspondingly large, there being 7,657 new accounts opened and 3,337 accounts closed.

There were 32,246 deposits and 16,062 withdrawals, amounting in all to 59,302 transactions of this nature, including accounts opened and closed, an increase of 14,632 over the number for the previous year.

The interest paid to depositors on closed accounts during the year amounted to ₱5,534.84, and the amount of accrued interest placed to the credit of individual depositors from June 30 was ₱22,274.94, making the total interest charges ₱27,809.78.

The sum of ₱75,107.61 interest was received from investments in bonds and mortgages and time deposits in other banks, all made under the direction of the Postal Savings Bank investment board.

This leaves a surplus in the interest fund amounting to ₱47,297.83 to be applied as partial reimbursement of the expenses of the operation of the Postal Savings Bank advanced by the bureau of posts, amounting to ₱64,627.18 for the year. The deficiency was met by appropriation from the general fund of the insular treasury as provided by the Postal Savings Bank act. The estimated amount of interest which has accrued but which is not due upon investments made prior to June 30, 1910, is ₱21,466.09.

The Postal Savings Bank investment board is now placing desirable real estate loans at 8 and 10 per cent, and will be able to loan the full amount permitted by the Postal Savings Bank law upon this class of security.

BUREAU OF PUBLIC WORKS.

PERSONNEL.

Several changes were made in the personnel of this bureau during the year. Mr. Clarence G. Wrentmore acted as director of the bureau from the beginning of the fiscal year until January 17, 1910, when Mr. J. F. Case returned from leave of absence in the United States. Mr. Case resigned, effective May 31, 1910, and Mr. Warwick Greene was appointed director, effective July 1, 1910. As Mr. Greene was then on leave of absence in the United States, Mr. Clarence W. Hubbell, city engineer of Manila, was appointed acting director of the bureau, effective June 1, 1910, pending the return of Mr. Greene.

Mr. J. W. Beardsley, consulting irrigation engineer, resigned September 11, 1909, and on February 5, 1910, Mr. Clarence G. Wrentmore was appointed chief irrigation engineer.

Mr. W. H. Robinson, senior division engineer, who acted as assistant director during the absence of Mr. J. F. Case, was appointed principal assistant engineer on February 1, 1910, and performed the duties formerly assigned to the assistant director.

Act No. 1989 created the position of chief engineer, effective July 1, 1910. The position of general road engineer was abolished and that of chief division engineer created, with an additional division engineer.

On June 30, 1910, there were 1,171 employees in the bureau, an increase over last year of 311. The following table shows the growth of the personnel of the bureau since its inception:

Number employed.	Americans.	Filipinos.	Total.
Jan. 1, 1903.....	3	0	3
June 30, 1904.....	54	15	69
June 30, 1905.....	49	26	75
June 30, 1906.....	83	60	143
June 30, 1907.....	100	84	184
June 30, 1908.....	155	117	272
June 30, 1909.....	381	479	860
June 30, 1910.....	456	715	1,171

The American force has thus been reduced from 78 per cent of the whole in 1904 to 39 per cent of the whole in 1910.

LEGISLATION.

The Legislature at the special session held in Baguio in April appropriated by Act No. 1988, from insular funds, ₱1,500,000 for roads and bridges, to be allotted by the secretary of commerce and police to "those provinces which shall accept the provisions of Act No. 1652, and which shall by resolution of the provincial board guarantee by continuing annual appropriations the establishment of such conservation system as may be necessary in the judgment of the director of public works on all first-class roads now or hereafter constructed and declared to be such by the director of public works." Of the amount thus appropriated ₱500,000 is made a permanent annual appropriation. Because of the uncertainties as to revenue incident to the enactment of the Payne bill, it was provided that the funds thus made subject to allotment by the secretary of commerce and police must first be released and made available for use by the Governor-General.

In addition to the ₱1,500,000 appropriated for general road and bridge work, there was also appropriated by the same act the sum of ₱300,000 for the construction of interprovincial roads. This money will be used to connect as rapidly as possible the various roads which have been constructed within provinces, thus within a reasonable time creating a complete and unified system, over which travel may proceed throughout all parts of the several islands.

The enactment of Act No. 1979 assures permanency to the present system of road construction and maintenance. The last two paragraphs of section 1 (nn) thereof provide that any resolution adopted by the provincial boards shall be and remain in full force and effect during the year of its adoption, and also subsequent years without further action by the board, until repealed by another resolution of the board. No appropriation or resolution so made shall, however, be valid or take effect until approved by the Governor-General. As this provision applies equally to resolutions revoking former resolu-

tions, the legal effect is to give such resolutions the force of permanent legislation, unless the Governor-General otherwise desires.

Executive order No. 1, series of 1910, issued by the Governor-General on January 4, 1910, defines the limits of insular, provincial, and municipal authorities over all existing public roads, and definitely fixes the maintenance responsibility of the different branches of the government. The effect of this order will, it is hoped, be to prevent the friction which has heretofore occurred between provincial and municipal officers in connection with the responsibility for the maintenance of provincial and municipal roads.

STATISTICAL DIVISION.

During the year the bureau unit cost-accounting system was extended to 75 of the more important road and bridge construction projects, to more than 1,100 kilometers of road upon which has been established the caminero system of maintenance, and to all heavy road equipment owned by the bureau and the provinces. During the next year all the more important and regular projects under the supervision of the bureau will be included within the rigid administrative scrutiny of this system. The quarterly valuation and revaluation of all important roads and bridges has been assigned to this division.

PROVINCIAL DIVISION.

The total insular and provincial road and bridge funds for the fiscal year amounted to about ₱6,000,000. The expenditure of these funds, through the bureau organization, resulted in the completion of a greater kilometerage of designated first-class roads and a greater number of permanent culverts and bridges than during any preceding fiscal year. The following table shows the result of the present road policy:

Total kilometerage of designated first-class roads:

	Kilometers.
Fiscal year ended June 30, 1908.....	395.
Fiscal year ended June 30, 1909.....	551. 5
Fiscal year ended June 30, 1910.....	914. 578

The kilometerage designated for the fiscal year 1908 represents all first-class roads constructed prior to June 30, 1908.

Caminero maintenance was established on 914.378 kilometers of designated first-class road. Approximately 2,000 kilometers of second-class road were maintained by a system of either caminero or gang maintenance or a combination of the two, which resulted in passable roads for about nine months during the year. Mountain trails were maintained by the gang system. The cost of the caminero maintenance was somewhat over ₱500,000.

Over 500 bridges and culverts were constructed and a large number of pipe culverts were inserted upon all designated first-class roads. These pipe culverts are either for the purpose of clearance drainage, or for equalizing the longitudinal flow of water in the ditches.

VALUATION.

A system of valuation by features, embracing the various units which enter into the completed road or bridge, has been inaugurated and extended. This valuation now covers more than 1,100 kilometers

of roads with their structures. The valuation is made on an actual money basis of results produced, and the question of deterioration or improvement versus maintenance expenditures is immediately ascertained. The actual valuation of these roads with their structures, which are all in a passable condition during the whole year, amounts to more than ₱12,000,000.

A maintenance rating investigation has also been carried over all first-class roads. This records the actual efficiency of the caminero maintenance organization. Periodical and systematic inspection indicates the thoroughness and efficiency of the caminero instructions, inspections, and operation.

ROAD PRIZES.

The bureau officials report that the inauguration of the system of prizes for road maintenance and construction has aroused a deep and abiding general interest in the road policy. The road committee recommended that the prize of ₱10,000 for the best maintained and most complete system of first-class roads be awarded to the province of Pangasinan; the prize of ₱10,000 for the greatest expenditure for roads and bridges proportionate to its revenue, to the province of La Laguna; and that the prize of ₱10,000 for the most complete and best maintained system of second-class roads be divided equally between the provinces of Ilocos Norte and Ilocos Sur. These cash prizes have been thus awarded and paid to the successful provinces.

The sum of ₱5,000 allotted for prizes to individual members of the provincial maintenance organizations has not yet been awarded, as the investigations of the road committee had not been completed at the close of the year.

ARTESIAN WELLS.

The artesian-well work is progressing very satisfactorily; ₱157,500 were appropriated by Act No. 1954 for the work. During the year 3 deep-well rigs were purchased and 16 jet rigs constructed and placed in operation. Sixty successful wells were drilled, 15 being with deep-well rigs. Three additional deep-well rigs have been ordered from the United States, and 20 new jet-well rigs are being constructed. One hundred wells were drilled by jet rigs operated in different provinces under provincial management supervised by the bureau of public works. Of these, 30 were drilled in Bulacan, 40 in Pampanga, and 30 distributed among the different provinces to which the other rigs were allotted or sold.

Under the system of cooperative well drilling which was inaugurated, the maximum appropriation by each province wherein a deep-well rig was operated is ₱5,000, and the remainder of the annual cost of operation, estimated at ₱10,000, is paid out of special insular appropriations. Nine provinces also received special allotments of from ₱2,000 to ₱3,000 for jet-rig work. The province of Pampanga was reimbursed in the sum of ₱9,000, this being 75 per cent of the total amount expended by that province on provisional jet-rig work.

The benefits arising from artesian wells in this country, where good drinking water is so difficult to obtain, can not be overestimated,

and are fully appreciated by the people. Requests for wells continue to be received faster than they can be drilled with the funds available.

BUILDING DIVISION.

On February 14, 1910, the division of building construction and repair was abolished and the new division of building maintenance, alteration, and repair created. Responsibility for carrying on important construction projects was placed upon the consulting architect, and the new division was made responsible only for the maintenance, minor repairs, and such alterations to insular buildings as became necessary from time to time. The bureau constructed in all the provinces 23 reinforced concrete buildings, and 21 combination buildings of permanent character. In addition, 33 buildings were reconstructed or received major repairs.

DIVISION OF ENGINEERING DESIGN.

This division prepared designs and detail plans of substructures and made estimates of cost for 15 steel bridges, with a total length of 479 meters, the estimated cost of construction therefor being ₱430,100. It prepared designs for 18 wooden bridges, with a total length of 848 meters and an estimated cost for construction of ₱149,300, and plans for 82 reinforced concrete bridges, with a total length of 2,311 meters, and an estimated cost for construction of ₱1,097,850. It also prepared specifications and advertised for bids for the construction of 60 structures and inspected the shipment of approximately 110,000 kilos of structural steel.

AUTOMOBILES.

The removal of the government offices for a portion of the year to Baguio threw a very heavy passenger and freight traffic upon the automobiles operated by the bureau over the Benguet road from Camp One to Baguio. The freight transportation was limited to fresh supplies for the various merchants and the government mess at Baguio. At the beginning of the year 8 automobiles, costing ₱32,819.53, were in operation. During the year 8 more were purchased at a cost of ₱41,459.79; 2,641 trips were made, and 8,581 passengers carried. The receipts from operation were ₱75,421.31 and the operating expenses amounted to ₱78,690.85. The net cost of operation for the year was thus ₱3,269.54.

The total amount of money expended under the direction of the bureau in addition to the amounts expended by provinces from general school funds and by municipalities from municipal funds, was ₱7,500,000.

IRRIGATION.

On February 5, 1910, Mr. C. G. Wrentmore was appointed chief irrigation engineer. On June 14, 1910, Mr. H. B. Kirkpatrick resigned as chief of the irrigation division.

The work of investigating proposed irrigation projects is proceeding as rapidly as possible consistent with accuracy and safety. There have been expended in work of this kind, ₱237,404.27, and in the investigation of river-control projects, ₱4,344.44.

Prior to June 30, 1909, the construction of eight projects had been authorized, and nine more were authorized during 1910. Three small projects had been completed prior to June 30, 1909. The Pilar project in Bataan, irrigating 250 hectares, which was completed on December 1 at a cost of ₱9,103.81, has been turned over to the bureau of lands for administration. During the year active construction was started on the San Miguel-Tarlac project. Excavation on the main canal is practically completed, and work on the four lateral canals is under way. Since the close of the year the contracts for the canal and river structures have been awarded, and construction work is proceeding. The work of construction will commence on the Ambalagan-Dalin and the Pototan projects as soon as the bureau of lands completes the cadastral surveys and secures the land contracts. This work is progressing satisfactorily.

Allotments aggregating ₱859,757.81 were made during the fiscal year. Of the ₱250,000 appropriated by Act No. 1688, ₱500,000 by Act No. 1837 (amended by Act No. 1954), and the continuing annual appropriation of ₱750,000 in Act No. 1854, beginning with the fiscal year 1910, there had been allotted on June 30, 1910, ₱1,062,727.81, leaving a balance of ₱437,272.19, which, with the ₱750,000 available July 1, 1910, provided ₱1,187,272.19 for use during the fiscal year 1911. This sum will all be allotted during the year 1911, and construction work on a number of large projects will be well under way, unless delayed by the difficulties connected with cadastral surveys and the obtaining of contracts with the landowners, which are required by the present very unsatisfactory and inadequate law. It is earnestly hoped that a new irrigation law will be enacted by the present Legislature.

Allotments amounting to ₱25,603.10 were made for work on the friar-land estates in Cavite and La Laguna, from the balance available from the ₱60,000 appropriated for irrigation work on the friar lands. More than 50 head gates have been installed on these estates. Work is progressing on the Santa Rosa tunnel, and the general repair work is nearing completion.

CONSULTING ARCHITECT.

Since February, 1910, the inspection of all buildings of size or importance has been under the direct supervision of the consulting architect's office. The necessary force of inspectors and assistants is assigned by the bureau of public works.

WORK PERFORMED.

For minor construction projects the plans and specifications are prepared in the consulting architect's office, and the construction handled by the bureau of public works.

During the year 157 projects, with an aggregate cost of ₱7,310,459.58, were handled by the office. Of these, 33, costing ₱2,029,295.87, are buildings for which plans were drawn in preceding years, but being still in course of construction additional work was necessary. Complete plans and specifications have been prepared for 56 projects, to cost ₱1,684,664.58. Preliminary plans have been pre-

pared, or are under consideration and in course of preparation, for 68 projects, to cost ₱3,596,499.13.

To this must be added work done for the city of Manila in the location and treatment of streets and parks and the preparatory work in connection with plans for the capitol at Manila and for the development of Baguio.

BUILDINGS AND PLANS COMPLETED.

The following important buildings have been completed during the fiscal year: In Manila, the Philippine General Hospital, Medical School, Tondo School, and quarantine station for cattle; the high school in Cebu; provincial government buildings at Tarlac and Ilagan, Isabela; reconstruction of the provincial government buildings at Nueva Cáceres and Iloilo; prisons at San Fernando, Pampanga, and Lucena, Tayabas; and the buildings at the government center, Baguio. With the exception of the provincial building at Ilagan and the buildings at Baguio all were constructed of reinforced concrete.

The most important buildings for which final plans and specifications were completed during the year are, at Manila, the nurses' home and the dispensary at the Philippine General Hospital, the reconstruction of Malacañan Palace, the ice plant, and the Oriente Building (replacing timber with steel and concrete), a ward building for contagious diseases and a laundry at the San Lazaro Hospital, and an addition to the ayuntamiento, the customhouse at Cebu, buildings for the Agricultural College at Los Baños, and schools at Cebu, Albay, and Lingayen.

Of the final plans completed during the year, 35, for projects to cost ₱1,093,444.98, provide for construction of reinforced concrete; 13, to cost ₱521,373.03, of native hardwood; 1, to cost ₱20,000, of brick; 1, to cost ₱10,000, of stone; and 6, to cost ₱39,846.57, of other forms of construction.

CITY OF MANILA.

Definite plans prepared by the consulting architect in cooperation with the city engineer for the large section of land between Calle Azcarraga-Iris and the railway, extending from San Lazaro to Sampaloc, were adopted by the municipal board. A part of this section is well adapted for sanitary barrios. The plan provides for the reservation of strips of land along the esteros to be developed as park ways.

Taft Avenue, which was opened for public traffic on January 1, 1910, has already become one of the most traveled thoroughfares of the city and, when the plans for tree planting and future buildings are carried out, the consulting architect predicts that it will become one of the principal ornaments of Manila.

The grading, draining, and sodding of the section of the moat between Calle Palacio and the Legaspi Monument has been completed, and work will be continued on the section between Calles Palacio and Victoria.

The development of the Luneta extension has proceeded rapidly and should be completed by the time the new Manila hotel is completed.

CITY OF BAGUIO.

The city of Baguio has been almost transformed. In his report the consulting architect makes the following statement as to the work of the past year and the future of Baguio: Plans for provisional buildings at government center were begun July 27, 1909, and on September 15, 1909, the materials were ordered and construction started. The axis of the group of provisional buildings coincides with that for the projected permanent buildings, the former occupying what is to be the Court of Honor of the latter. In this way the present buildings will not interfere with the permanent construction, the grading accomplished so far being what is required for the final scheme. The impossibility of obtaining sufficient dressed lumber for the provisional buildings induced the use of flat galvanized iron for covering the exterior walls. The wall surfaces are divided into panels by the wooden strips to cover the joints. The general effect at a distance is that of half timber construction of medieval Europe, and is not unattractive. Until materials for concrete can be brought by railway at reasonable cost, this unusual form of construction is expected to be employed for both public and private buildings.

Architecturally considered, the extraordinary topography of Baguio allows but two general compositions, one extending from the government center through the town site and business section to the municipal center; the other in Pakdal, extending from the polo field with a change in direction of the axis to the Governor General's residence. Both of these compositions appear in the Burnham plan for Baguio, and both are preserved in principle, though changed in form, as required by the exact topography and other conditions.

The first-mentioned composition is now actually developed at both ends, and with the cutting of a vista through the trees below the government center and the construction of the lagoons in the flats, but little imagination will be required to discover the splendid architectural possibilities for the future Baguio.

For the other composition, that at Pakdal, detailed plans have been prepared, and grading for the approaches to government house, the Governor General's residence, is well advanced.

Among the improvements planned for the coming year are the city hall, 80 cottages, and 2 dormitories for officials and employees of the insular government, a building for the supreme court, public baths, and the construction of the lagoons, including the drainage of the low ground of the town site.

A system of drives and bridle paths is now being surveyed and built for the exclusive use of persons with horses, this system being independent of the roads now used by automobiles. This route will start from Military Corners and extend down the valley between the north and south drives, thence around Outlook Point parallel with the present road, and returning through the former Igorot village of Pakdal.

Respectfully submitted.

CHARLES B. ELLIOTT,

Secretary of Commerce and Police.

To the PHILIPPINE COMMISSION,

Manila, P. I.

REPORT OF THE SECRETARY OF FINANCE
AND JUSTICE.

REPORT OF THE SECRETARY OF FINANCE AND JUSTICE.

DEPARTMENT OF FINANCE AND JUSTICE,
Manila, October 24, 1910.

GENTLEMEN: I have the honor to present the following report of the work done by the judiciary and the department of finance and justice during the fiscal year ended June 30, 1910, which, unless otherwise stated, covers only that period.

JUDICIARY.

SUPREME COURT.

The condition of the docket of the supreme court continues to be satisfactory. There were pending at the beginning of the fiscal year 303 civil and 294 criminal cases, a total of 597 cases. There were filed 338 civil and 449 criminal cases, a total of 787, as against 302 civil and 366 criminal cases during the previous year, an increase of 119. There were decided 224 civil and 317 criminal cases, a total of 541, and 51 civil and 58 criminal cases, a total of 109, were otherwise disposed of. There were pending at the beginning of the year 734 cases, of which 368 were civil and 366 were criminal. Comparing the number of cases pending at the close of the year with the number at the beginning thereof, an increase is noted of 137, which would appear to indicate that the court is not keeping up with its work. This view, however, will have to be modified if it is taken into consideration that during the year 119 more cases were filed than during the preceding year, and that of the cases pending at the close of the year 515 were docketed but not ready for argument, 61 were submitted but decision not yet filed, and that there were only 158 cases placed on the calendar for July, 1910, as against 199 ready for argument at the beginning of the year, thus reducing the number of cases which were pending trial at the beginning the year.

There were 128 candidates for admission to the bar, as compared with 118 during the preceding year. Of these 72 were successful in passing the examination, while only 23 passed during the previous year.

Volumes XIII and XIV of the Philippine Reports in English and Spanish were published during the year. These volumes contain the decisions of the supreme court rendered up to January 14, 1910, a considerable number of the last term of court being left over for Volume XV, which is now being prepared.

The only change in the personnel of the supreme court during the year was the resignation of Justice Charles B. Elliott on February 13, 1910, who resigned to take the office of secretary of commerce and police, and the appointment of the Hon. Grant Trent, judge of the eighth judicial district, to fill the vacancy.

COURT OF FIRST INSTANCE OF MANILA.

There were 702 civil cases filed, as against 754 in the fiscal year 1909, and 699 were disposed of, as against 1,080 during the previous year, leaving at the close of the year 992 pending, as against 989 at the beginning thereof. The number of criminal cases filed was 1,322, as compared with 1,294 during the preceding year, and 1,311 were disposed of, as compared with 1,345 during the previous year, leaving 71 pending at the close of the year, as against 60 at the beginning thereof. There were 29 customs appeal cases pending at the beginning of the year; 26 were filed and 42 disposed of, leaving 31 pending at the close of the year, as against 29 at the beginning thereof.

The Hon. James C. Jenkins, judge of the third judicial district, was on October 12, 1909, detailed to assist the judges of the court of first instance of Manila, and continued on this duty during the remainder of the fiscal year. This detail was necessary, not alone by reason of the fact that the judges of Manila needed assistance in their work, but because Judge Charles S. Lobinger, of the Manila court, went on vacation on April 14, 1910, and was absent during the remainder of the fiscal year. The success of this policy of designating an outside judge from time to time to assist in the work of the court of Manila shows that the creation of an additional division of the court in Manila is not necessary, the present number of judges, with occasional assistance, being able to keep the work up to date. As will be seen, there was at the close of the year almost the same number of cases pending as at the beginning thereof. The increase of 15 cases of all kinds is insignificant.

COURTS OF FIRST INSTANCE IN THE PROVINCES.

In the courts of first instance in the provinces there were filed 2,965 civil cases, as against 2,915 during the previous year, and there were disposed of 2,702, as against 2,694 during the previous year, leaving pending on June 30, 1910, 2,531 ordinary civil and 1,833 probate cases, a total of 4,364, as against 4,101 at the beginning of the year. Of criminal cases 6,093 were filed, as against 5,369 during the previous year, and there were disposed of 6,018, against 5,305 during the previous year, leaving pending at the close of the year 1,794, as against 1,719 at the beginning thereof.

It is to be noted that the number of both civil and criminal cases pending at the close of the preceding year, as above stated, was greater than the figures shown in last year's report. By comparison of these two reports it will be seen that there are 74 civil and 70 criminal cases more than last year's report showed. This is due to omissions made by some of the clerks of court in making up their last year's report, which errors have been corrected in the report of this year.

These figures show that more criminal and fewer civil cases were disposed of than during the year 1909, while the total number disposed of was greater, the figures being 8,620 and 7,999 for the fiscal years 1910 and 1909, respectively. This demonstrates that the work of the courts in the provinces has been satisfactory. The full number

of judges of the court of land registration having been appointed, and the four judges-at-large now being able to assist the regular judges, it is expected that the slight accumulation of business, especially in probate cases, will soon entirely disappear.

The following changes were made in the judges of the courts of first instance: On July 29, 1909, Judge James Ross was transferred from the twelfth to the ninth judicial district. On the same date Judge Mariano Cui, judge-at-large, was appointed to the twelfth district. On October 14, 1909, Mr. Herbert D. Gale was appointed judge of the fourteenth district. On March 4, 1910, Judge Estanislao Yusay of the fourth district was transferred to the court of first instance of Manila, and Judge Simplicio del Rosario, formerly judge of the court of land registration, was appointed to the fifth district. On March 4, 1910, Mr. George N. Hurd, Mr. Francisco Santamaria and Judge Charles A. Low of the municipal court of Manila were appointed judges-at-large, and on the same date the following transfers of judges were made: Judge John S. Powell from the seventh to the eighth district; Judge Mariano Cui from the twelfth to the seventh district; Judge Ramon Avanceña from the thirteenth to the twelfth district; and Judge Vicente Nepomuceno from judge-at-large to the thirteenth district. On March 29, 1910, further transfers were made as follows: Judge Percy M. Moir from the Mountain district to the eighth district, Judge John S. Powell from the eighth to the ninth district, vice Judge James Ross, resigned, and Judge Richard Campbell from the first to the Mountain district.

COURT OF LAND REGISTRATION.

There were filed 671 applications for title, as against 1,393 during the previous year. The value of the property represented by these applications amounted to ₱8,039,399. The decrease in the number of applications filed is explained in part by the fact that the liberal provisions of Act No. 1875, suspending the payment of court of land registration fees for all kinds of applications during the year 1909, have been, by Act No. 1937, made to apply, from July 1, 1909, only to applications for title to property not exceeding ₱500 in value, and in part to the lack of private surveyors duly examined by the civil service board or the bureau of lands and entitled to make surveys for the court of land registration.

A condensed statement of the business of the court during the fiscal year and the status of the cases at the close thereof is as follows:

<i>Affirmed.</i>		
Final.....	766	
In abeyance.....	92	
Appealed during the year.....	27	
Previously appealed and not returned.....	8	
		893
<i>Denied.</i>		
Final.....	26	
In abeyance.....	4	
Appealed during the year.....	0	
Previously appealed and not returned.....	2	
		32

Dismissed.

Final.....	68	
In abeyance.....	8	
Appealed during the year.....	4	
Previously appealed and not returned.....	2	
		82
Cases previously disposed of.....	1,007	
Cases pending.....	4,129	
		1,355
Total.....		6,491

From this statement it appears that 995 applications were disposed of, as against 1,151 during the previous year, and that final decrees in 707 cases were issued to property, the total area of which amounted to 66,905.29 hectares. The total amount of land registered from the establishment of the court to June 30, 1910, is 209,929.9497 hectares. This does not include public lands alienated, granted, or conveyed to persons or private corporations which under the provisions of section 122 of the land registration act were brought under the operation of said act. In order to arrive at the extent of such lands it will be necessary to consult the records of the bureau of lands.

The entire personnel of the court has been changed during the year. On December 7, 1909, Mr. Higinio Benitez, provincial fiscal of Rizal Province, and Mr. James A. Ostrand were appointed associate judges; on December 21, 1909, Mr. Jesse George, prosecuting attorney for the city of Manila, was appointed associate judge; on March 4, 1910, the Hon. Charles H. Smith, judge-at-large of the court of first instance, was appointed presiding judge, relieving Judge Simplicio del Rosario, appointed judge of the court of first instance, and on the same date Mr. Pedro Concepcion was appointed associate judge.

JUSTICE OF THE PEACE COURTS.

A summary of the reports submitted by the judges of the courts of first instance regarding the work of the justice of the peace courts in their respective districts covering the period from November 30, 1908, to November 30, 1909, is as follows:

Criminal cases:		
Pending November 30, 1908.....	3,894	
Cases filed.....	56,582	
		60,476
Dismissed.....	6,549	
Cases decided.....	50,061	
Pending November 30, 1909.....	3,866	
		60,476
Civil cases:		
Pending November 30, 1908.....	1,240	
Cases filed.....	11,550	
		12,790
Dismissed.....	3,257	
Cases decided.....	8,655	
Pending November 30, 1909.....	878	
		12,790

Costs, fees, and fines collected, ₱189,640.12.

The above does not include Zamboanga, Jolo, Davao, Cotabato, and Bongao.

There were 200 justices of the peace and 282 auxiliary justices of the peace appointed by the Governor General, with the advice and consent of the commission; 4 and 17, respectively, refused appointment; 148 and 213, respectively, resigned; 21 and 8, respectively, were removed; and 9 and 3, respectively, died. Charges were brought against 40 justices of the peace for delinquencies in the exercise of their office, 18 of whom were suspended pending final decision. Of these 40 accused justices of the peace, 7 were removed and disqualified, 14 removed, 6 required to resign or resignation accepted, 9 reprimanded or disciplined or suspended, and 4 found not guilty. Charges were brought against 14 auxiliary justices for offenses committed in the exercise of their office, 7 of whom were suspended pending final decision. Of these 14, 4 were removed and disqualified, 4 removed, 3 required to resign or resignation accepted, 2 warned or suspended, and 1 declared not guilty.

The undersigned again reiterates the statement made in last year's report that the service of the justices of the peace is not satisfactory, but that under the present system nothing more could be expected. There is a real necessity for reorganizing the justice of the peace courts, and the undersigned will at the present session of the Legislature introduce a bill for this purpose covering the points mentioned in last year's report, to wit, the justices of the peace to receive salaries instead of fees; that upon recommendation of the judge of the court of first instance a justice of the peace may be appointed for two or more municipalities, the justice to receive in such case an amount not to exceed 75 per cent of the combined salaries of the presidents of the municipalities in which he holds office.

It is also proposed to require that justices of the peace in provincial capitals must be admitted to the bar, and to give them greater jurisdiction than other justices of the peace, giving them authority to hear and determine election protests and to issue interlocutory orders and other urgent orders of temporary character, the judges of the courts of first instance concurring in such greater jurisdiction.

In the bill to be introduced it is also proposed to exact of the candidates certain qualifications for eligibility, which they may prove by passing a special examination to test their theoretical and practical knowledge of the law necessary for the proper discharge of their duties.

BUREAU OF JUSTICE.

The office of the attorney-general furnished 233 written opinions to the Governor-General and other officials. It presented briefs and arguments in the supreme court in 308 and appeared by motion, etc., in 47 cases. In the court of land registration it appeared and entered opposition in 343 and examined, without opposing registration, 402 cases. It conducted 137 cases in the courts of first instance in Manila and the provinces.

The attorney-general took charge of the estates of 26 deceased American government employees, the total amount of money collected on account of such estates being ₱17,909.39 and the total disbursed ₱19,288.15. The balance on hand June 30, 1910, to the credit of unliquidated estates was ₱3,093.20.

The following-named persons were appointed assistant attorneys on the dates mentioned to fill vacancies: Mr. Luis P. Torres, September 16, 1909; Mr. Antonio Villareal, April 16, 1910; Mr. Carlos A. Imperial, May 10, 1910; and Mr. Fisher H. Nesmith, June 20, 1910.

BUREAU OF THE TREASURY.

FINANCIAL STATEMENT.

The following statement shows the balance on hand at the close of the fiscal year 1909, the receipts, withdrawals, and currency exchanges during the fiscal year under consideration, and the balances on hand at the close of business June 30, 1910:

General funds:	Philippine currency.
Balance on hand at close of business June 30, 1909-----	₱32, 551, 468. 42
Receipts during fiscal year, account of—	
Customs -----	₱17, 625, 699. 37
Internal revenue-----	10, 231, 734. 44
Miscellaneous -----	11, 230, 955. 36
City of Manila-----	3, 014, 281. 99
Repayments -----	9, 037, 020. 09
Currency exchanges-----	66, 191, 798. 16
	<hr/> 117, 331, 489. 41
Total -----	149, 882, 957. 83
Withdrawals—	
Check vouchers paid-----	49, 183, 110. 52
Currency exchanges-----	66, 191, 798. 16
	<hr/> 115, 374, 908. 68
	<hr/> 34, 508, 049. 15
Depository accounts:	
Balance on hand at close of business	
June 30, 1909-----	6, 099, 623. 56
Deposits during fiscal year-----	122, 380, 115. 87
	<hr/> 128, 479, 739. 43
Total -----	128, 479, 739. 43
Withdrawals during fiscal year-----	118, 790, 654. 97
	<hr/> 9, 689, 084. 46
Balance on hand June 30, 1910-----	
Certificate redemption fund:	
Balance on hand in fund at close of business June 30, 1909-----	22, 797, 454. 00
Certificates issued during	
fiscal year -----	₱15, 068, 000. 00
Certificates retired during	
fiscal year -----	11, 362, 863. 50
	<hr/> 3, 705, 136. 50
Net amount issued during fiscal year--	
Balance in fund at close of business June 30, 1910-----	26, 502, 590. 50
	<hr/> 70, 699, 724. 11
Total funds in hands of insular treasurer at close of business June 30, 1910-----	

This balance was distributed as follows:

Distribution of balance.

	United States currency.	Philippine currency.	Total.
In treasury vaults.....	\$2,906,509.02	₱31,179,048.56	.....
Certified checks on local banks.....		400,825.19	.....
On deposit with authorized depositaries in the United States.....	4,178,054.86		.....
On deposit with local banks.....		2,172,888.74	.....
Fixed deposits with authorized depositaries in the United States.....	10,111,159.86		.....
Fixed deposits with local banks.....		2,555,514.14	.....
	17,195,723.74	36,308,276.63	₱70,699,724.11

The "general funds" balance in the foregoing statement includes the cash balances of various trust funds and is made up as follows:

Gold-standard fund.....	₱18,876,833.53
Friar lands bonds sinking fund.....	577,674.35
City of Manila sewer and waterworks construction bonds fund.....	826,513.76
City of Manila sewer and waterworks construction bonds sinking fund.....	21,879.17
Money-order funds.....	164,371.00
Constabulary pension and retirement fund.....	26,987.53
Assurance fund, Act. No. 496.....	5,670.59
Insurance fund, Act No. 1728.....	138,579.28
Fidelity bond premium fund.....	86,364.87
Public works and permanent improvements bonds sinking fund.....	33,836.89
Postal Savings Bank funds.....	550,534.71
Insurance fund, city of Manila.....	971.92
General fund.....	13,309,263.67
Total.....	34,508,049.15

INTEREST COLLECTED.

There was received the sum of ₱994,084.06 as interest on funds in open account and on fixed deposits with authorized depositaries in the United States and in the Philippine Islands, of which ₱386,292.62 belongs to the general fund and the balance to the various trust funds administered by the treasurer. Compared with the amount collected as interest during the preceding year, namely, ₱703,569.98, an increase is shown of ₱290,514.08.

The rates of interest received from depositaries in the United States were about the same as those received during the preceding year, that is to say, $2\frac{1}{2}$ per cent on open or current accounts and $3\frac{1}{4}$ and $3\frac{1}{2}$ per cent on fixed deposits. However, all renewals toward the end of the year were made at 3 per cent, and from present indications no better rate than this will be obtained from renewals during the coming year.

BANKS AND BANKING.

Agricultural Bank.—The Agricultural Bank of the Philippine Island was opened October 1, 1908, and was therefore in operation for only nine months during the fiscal year 1909. During the fiscal year 148 applications were made for loans, amounting to ₱494,574, and the number of loans granted was only 89, amounting to ₱229,000.

Five loans, amounting to ₱7,200, were repaid and delinquent interest on five loans amounted to ₱1,415.24. Three loans, amounting in principal and interest to ₱14,045.24, were pending on foreclosure proceedings.

The total amount loaned by the bank at the close of the fiscal year amounted to ₱284,450, or approximately 28½ per cent of the bank's capital. Of this amount only 5½ per cent was placed during the fiscal year 1909 and 23 per cent during the fiscal year 1910.

Although the number of applications decreased considerably as compared with the nine months of the preceding year, when they amounted to 417, the number of loans made greatly exceeds that placed during the previous nine months, during which only 23 loans were granted. In other words, the number of loans made in 1909 were but slightly in excess of 5½ per cent of the number of applications received, while the number of loans made during the year 1910 amounted to 60 per cent of the applications received for that year. This increase indicates a clearer understanding on the part of the people of the purposes and requirements of the bank.

When it is considered that the creation of the bank was in response to a necessity felt by all agriculturists, and that the government sought by this means to assist in the development of agriculture, it is somewhat discouraging to note the little business done by the bank. This is due principally to the lack of titles to the greater part of the agricultural lands. It is hoped that with improved facilities for obtaining titles the Agricultural Bank will be better able to carry out the beneficent purposes of its organization. One of the good results already accomplished consists of the decrease of usury in the provinces. The expenses of the bank during the year amounted to ₱1,204.84 and the receipts to ₱19,499.05. Deducting the expenses, and the deficit of the previous year, amounting to ₱1,638.83, there remains a net profit of ₱16,655.38.

Private banks.—The following institutions were examined by deputies of the insular treasury: The Hongkong and Shanghai Banking Corporation, the Chartered Bank of India, Australia, and China, the International Banking Corporation, and the Banco Español-Filipino, all of Manila; the subagencies of the Chartered Bank of India, Australia, and China, and of the International Banking Corporation at Cebu; the Monte de Piedad and Savings Bank of Manila, and the Manila Building and Loan Association.

From a comparative consolidated statement of the resources of the four commercial banks and their branches in operation in these islands the following data is taken:

	1909	1910	Increase.
Total resources and liabilities.....	₱36,276,831.11	₱45,712,910.45	₱9,436,079.34
Current accounts.....	14,783,381.33	18,191,008.18	3,407,626.85
Fixed deposits.....	5,573,502.49	6,311,463.31	737,960.82
Loans and discounts.....	6,270,211.87	7,799,633.63	1,529,421.76
Overdrafts.....	11,446,194.87	14,019,037.37	2,572,842.50

This shows a considerable increase in banking transactions and indicates a decided improvement in the financial situation of the country.

Banks in liquidation.—The American Bank and the S. Misaka Bank are still in process of liquidation and the creditors of the first-named bank have received 53 per cent of the amount of their claims. The assets of the institution still in the hands of the insular treasurer as receiver consist of ₱2,663.02 in cash, a number of small parcels of rice and hemp land in the province of Albay, and part of the purchase price of 14 parcels of rice land disposed of during the fiscal year. After deducting the cost of the receivership and other expenses from the remaining assets, there will be a balance sufficient for a final payment of not to exceed 1 per cent.

The claims against the S. Misaka Bank amounted to ₱12,101.33, and the assets to ₱1,161.91. Court expenses amounting to ₱34.80 have been paid, and a dividend of 8 per cent, amounting to ₱968.10, has been declared. The remainder, amounting to ₱159.01, is held for receiver's fees. The receivership has not been closed for the reason that many creditors for small amounts have left the islands, and the receiver has still on hand ₱340.90, representing dividends of these creditors, whom the insular treasurer has so far been unable to locate.

MUTUAL BENEFIT AND BENEVOLENT SOCIETIES.

Reports have been received from the following mutual benefit and benevolent societies: Firemen's Relief Association (Manila fire department), Liga Socorros Mutuos de Empleados de Correos de Manila (Postal Employees' Mutual Benefit Society of Manila), Sociedad de Socorros Mutuos de los Miembros Filipinos de la Policia de Manila (Mutual Benefit Society of the Filipino Police of Manila), Sociedad de Socorros Mutuos de Empleados Comerciales (Commercial Employees' Mutual Benefit Society), Union de Impresores de Filipinas (printers' labor union), Laan sa Kabuhayan (printers of the Manila Times), and Socorros Mutuos de los Empleados Civiles de la Aduana (Mutual Society of the Civil Employees of the Custom House).

The Firemen's Relief Association and the Gremio de Marineros Mercantes were examined. The examination showed the financial condition of the first-named institution to be sound, and their accounts correct, but as to the Gremio de Marineros Mercantes the showing was not so favorable. A majority of the cash items have been carried by the treasurer of the association for more than a year, and are considered worthless. The liabilities, as revealed by the examination, amounted to approximately ₱700, while the value of the assets would not exceed ₱300.

The examination further revealed the fact that the constitution of the association was not being complied with in the collection and disbursement of funds, and that the gremio was insolvent.

The foregoing facts were placed before the attorney-general in compliance with the provisions of section 5 of Act No. 701, and on May 10, 1910, the insular treasurer was appointed receiver by the court of first instance.

BOND ISSUES.

On August 17, 1909, the bureau of insular affairs sold the third series of public works and permanent improvement bonds, amounting to ₱3,000,000. The total obligations of the insular government and of the city of Manila at the close of the fiscal year on account of bond issues were:

Of the insular government as follows:

Friar lands bonds	₱14,000,000
Public works and permanent improvement bonds	10,000,000

Total	24,000,000
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Of the city of Manila:

Sewer and waterworks construction bonds	8,000,000
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This issue completes the amount of such bonds which the insular government and the city of Manila are authorized by Congress to issue.

During the year the Philippine Railway Company was authorized by the government to issue bonds in the amount of ₱559,000, which, with the amount of bonds previously issued, make a total to date of ₱6,439,000. Interest to the amount of ₱486,300 was advanced by the insular government to this company on account of the government's guaranty of its bonds.

No bonds have so far been issued by the Manila Railway Company under guaranty by the insular government for payment of interest.

THE GOLD STANDARD FUND.

The amount of exchange sold on New York was ₱20,943,416.56, as compared with ₱26,837,249.28 for the previous year, showing a decrease of approximately ₱6,000,000. The sale of demand drafts and telegraphic transfers by the insular treasurer on provincial treasurers, and vice versa, compared with the previous year shows an increase. The total of such sales amounted to ₱2,556,599.05 as against ₱1,480,971.03 for the preceding year. The total amount of such sales is made up as follows:

Sales by insular treasurer on provincial treasurers.

Telegraphic transfers	₱1,182,633.02
Demand drafts	123,022.64
	1,305,655.66

Sales by provincial treasurers on insular treasurer and on other provincial treasurers.

Telegraphic transfers	₱657,202.50
Demand drafts	593,740.89
	1,250,943.39

The decrease in the amount of premium earned from the sale of exchange during the year was ₱87,051.62, while there was an increase of ₱184,428.42 in the amount of interest received from depositaries on gold standard fund balances. The total income of the gold standard

fund from these two sources amounted to ₱722,289.62, as compared with ₱624,912.82 for the preceding fiscal year, or a net increase of ₱97,376.80.

The net balance to the credit of the gold standard fund on June 30, 1910, was: In Manila, ₱4,133,948.58; in New York, \$7,675,197.80 (₱15,350,395.60); due from the United States mint at San Francisco on account of recoinage, ₱463,333.36; and from disbursing officers, ₱39,807.70; a total of ₱19,987,485.24. Deducting an overdraft of \$304,152.97 (₱608,305.94) in Manila leaves a net balance to the credit of this fund of ₱19,379,179.30.

CIRCULATION.

The recoinage of the silver currency of the first issue is progressing satisfactorily. During the fiscal year the sum of ₱1,325,196.40 was forwarded to the San Francisco Mint for recoinage. The total coinage of the first issue was ₱33,760,501.80, and of this ₱28,889,596.40 were returned to the mint for recoinage, leaving a balance in circulation of ₱4,870,905.40. The minor coinage of 5, 1, and one-half centavo pieces, amounting to ₱943,193, included in the balance in circulation, is not to be recoined; so that only ₱3,927,712.40 of the entire silver coinage of the first issue remain to be withdrawn from circulation for recoinage.

The total amount of new coin received from the United States mint at the close of this fiscal year amounted to ₱46,522,166.47. From this it appears that the total amount received from the United States mint of the old and new coinage amounts to ₱80,282,668.27, of which as above stated, ₱28,889,596.40 was returned for recoinage; ₱30,718,298.06 is in the treasury vaults, and ₱20,674,773.81 is in circulation.

On June 30, 1909, there were ₱25,805,000 silver certificates in the treasury vaults and ₱22,797,454 in circulation, a total of ₱48,602,454. During the year mutilated silver certificates were destroyed, as follows: Full value, ₱5,167,812; half certificates, ₱51.50; a total of ₱5,167,863.50. This sum deducted from the amount of certificates existing at the close of the preceding year leaves ₱43,434,590.50. Adding to this sum ₱9,500,000, the value of the new silver certificates received from the bureau of insular affairs during the year, gives a total of ₱52,934,590.50, of which ₱26,502,590.50 were in circulation and ₱26,432,000 in the treasury vaults at the close of the year.

Bank notes of the Banco Español-Filipino in circulation at the close of the fiscal year amounted to ₱2,038,083.55. Of this ₱1,845,000 were notes received by the Philippine treasury for issue to the Banco Español-Filipino, and which the bank was authorized to issue under its charter contained in Act No. 1790. The remainder are old notes of the bank issued before said charter, and which still remain in circulation uncanceled by new notes.

The total amount of money in circulation in the islands on June 30, 1910, was ₱48,754,697.36, as compared with ₱41,528,607.74 on the same date in 1909, showing an increase of ₱7,226,089.62. The sum of ₱460,750.50, constituting what may be termed the working balance of the treasury on June 30, 1910, and made up of the cashier's, paying teller's, and receiving teller's balances, and mutilated notes awaiting retirement, is not included in the above-mentioned total circulation, this working balance not being considered as in actual circulation.

EXPENSES OF CONDUCTING THE BUREAU.

The expenses of conducting the treasury bureau amounted to ₱113,511.31, as against ₱119,517.97 for the previous year. Of this amount ₱93,843.11 were for salaries and wages and ₱19,668.20 for contingent expenses, as compared with ₱90,084.64 and ₱18,905.18, respectively, for the previous year. The small increase noted is more than accounted for by the fact that one employee of the treasury bureau has acted as secretary of the Agricultural Bank, devoting his time almost exclusively to the bank's matters, his salary, however, not being charged against the bank.

BUREAU OF CUSTOMS.

IMPORTS.

The total value of commercial imports amounted to \$37,061,925, as compared with \$27,794,482 for the previous fiscal year. This increase in imports is explained by the increase in the value of Philippine products exported and the consequent increased purchasing power of the inhabitants of the islands, and is owing not only to the increased quantity of merchandise imported but also to the increased value thereof.

The United States, which has never heretofore held first rank among the countries sending merchandise to the islands, has this year, with importations amounting to \$10,776,128, as compared with \$4,693,831 for the previous year, supplanted England and forced her from her long-held position to second place. The French East Indies maintained their relative position as third, while China has supplanted British Australasia in fourth place. It is to be noted that although importations from the United States amounted to more than double those of the previous year, importations from other countries have not fallen off on this account. On the contrary, they have increased from \$23,100,651 during 1909 to \$26,285,797 during the fiscal year 1910.

There was a general increase in the value of importations of all classes, although the percentage of value of each class to the total value of importations has changed but slightly. There is, however, noted a greater increase in importations of iron and steel, which from \$1,933,032 in 1909 have risen to \$3,305,695 in 1910. Importations of coal have increased from \$461,465 to \$972,341, bringing this item up to seventh place in the scale of the principal classes of merchandise imported where formerly it was the last.

As in previous years, the principal article of importation has been cotton goods. The value of these importations amounted to \$8,522,307, as against \$6,944,978 the previous year. The value of cotton textiles imported from the United States during the year was more than five times, and from Japan more than four times the value of such goods imported during 1906. As compared with the same year there was an increase of approximately 50 per cent in the importation of these goods from China and Germany, while England and Switzerland fell slightly behind; the British East Indies' trade was reduced approximately one-third, and Spain lost almost half of her trade.

Rice continues to be the second in rank of imported products. During the year the importations of this commodity amounted to \$5,321,962, as compared with \$4,250,223 during the year 1909.

EXPORTS.

The total value of exports aggregated \$39,886,852, as against \$31,044,458 during 1909, an increase of 28 per cent. This was occasioned both by the increase in the amount of merchandise exported and by the material rise in the prices received for the same.

The United States again stands at the head of the list of countries of destination of Philippine products, 47 per cent of the total value of exports being sent to that country, and amounting to \$18,751,421, as against \$10,254,087 in 1909. The exportations to France exceeded those of last year by 50 per cent, that country now occupying second place in the list of countries to which Philippine products were destined, England being forced to third. Hongkong, which last year held the fourth, has fallen to the fifth place, with a decrease amounting to 32 per cent, Spain having passed her during the year. Germany, which formerly occupied seventh place, now ranks fifth. This country made the greatest proportionate gain, having received from the Philippine Islands products 82 per cent greater in value than those she received during 1909.

Hemp continues to be the principal export product, the exportation of this commodity exceeding in quantity that of any previous year, and amounting to 170,788 metric tons, of which 99,305 went to the United States, being the greatest exportation of hemp to that country since the American occupation of the islands. Despite the great increase in the quantity exported, the total value of the exportation, \$17,404,922, was below that of many preceding years, although it was greater than that of 1909, which amounted to \$15,833,577. The increase in prices received is not in proportion to the increased quantity of hemp exported, owing to the fact that the average price of hemp was slightly below that of the previous year.

The quantity of copra exported was greater by 10 per cent than in 1909, aggregating 116,374 metric tons at an invoice value of \$9,153,951, as against 105,564 metric tons, valued at \$6,657,740, during the previous year. The exports of this commodity to the United States were greater both in quantity and in value than during the preceding year.

The exportation of sugar aggregated 127,717 metric tons, valued at \$7,040,690, the largest quantity exported in any year except 1908, and the highest value in any year since American occupation. The quantity exported the preceding year amounted to 112,379 metric tons, with a value of \$4,373,338. The total quantity exported to the United States was 94,155 metric tons, valued at \$5,495,797, the largest quantity and the greatest value ever shipped to the United States. The quantity exported to the United States the preceding year was 21,285 metric tons, valued at \$881,218. It is to be expected that with the increased price received for sugar the future production will be very greatly increased, but it is not believed that the limit fixed for free export of this commodity into the United States will be reached for several years.

The number of cigars exported was 196,592,000, valued at \$2,973,630, as against 116,278,000, valued at \$1,083,702 during the preceding year. Of the quantity exported, 83,931,000, valued at \$1,906,447, were sent to the United States, while the exportation of this product the preceding fiscal year amounted to only 2,696,000, valued at \$43,818.

The exportation of leaf tobacco was less both in quantity and value than in 1909, the amount exported being 9,896,054 kilos, valued at \$1,629,820, as against 10,729,159 kilos, valued at \$1,674,033 for the previous year. A small quantity went to the United States, which received none during 1909.

Coal was exported from the islands for the first time, \$4,309 worth of that commodity going to Hongkong.

BALANCE OF TRADE.

A comparison of the imports, valued at \$37,061,925, with the exports, valued at \$39,886,852, shows a balance in favor of the islands of \$2,824,927, which increases the average annual net balance in favor of the islands during the period of the American occupation to \$324,954. These figures only include the value of merchandise received through regular commercial channels and do not include the value of supplies and property imported by the federal and insular governments, free entries on account of government-aided railways, commercial importations of currency, and free mail importations, aggregating in all \$4,837,925. A large part of this privileged merchandise, consisting of cement, structural iron, and other material, has contributed to the general development of the business of the country, involving, as it does, the employment of labor in all parts of the islands.

There were also exported to the United States and not included in the foregoing figures articles by mail or carried in the baggage of outgoing passengers to a total value of \$54,553.

CUSTOMS COLLECTIONS AND EXPENDITURES.

It was believed that by reason of the passage of the United States and Philippine tariff acts of 1909 the customs revenues would be largely reduced, although it was confidently anticipated that the benefits to the islands by reason of the new markets opened to their products by the passage of those two acts would more than compensate for the expected loss in revenue. This anticipated large reduction in revenue, however, has not occurred.

The total collections of the bureau of customs amounted to \$8,286,073.56, as compared with \$8,539,098.87 in 1909, a reduction of \$253,025.31. This decrease is more than accounted for by the decrease in export duties collected caused by the new regulations permitting the filing of a bond conditioned to pay export duties on articles sent to the United States in the event that proper documents are not submitted within a fixed time showing their arrival and consumption therein, instead of collecting the export duty and refunding it upon proof of landing and use. By this means the collections on account of export duties were reduced, the falling off

amounting to \$517,648.40. Taking into consideration, however, only the amounts not subject to refund which were collected during the two years, the actual reduction in revenue during the year from this source amounted to but \$38,115.70.

There was also a falling off in storage charges, while there was an increase in import duties, wharfage dues, licenses of vessels, and miscellaneous collections.

The figures above given as the total collections of the bureau of customs represent all receipts of that bureau, including amounts accruing to the credit of the government of the Moro Province and to the current appropriation of the bureau, salaries of bonded warehouse keepers, collections on account of extra services of employees, and collections subject to refund. Of the above-mentioned amount, \$207,542.12 were collected in ports of the Moro Province, and \$8,078,531.44 in the other ports of the Islands.

Deducting from this last-mentioned sum the following items—\$119,384.99 refundable export duties, \$22,416.26 extra service of customs employees and salaries of bonded warehouse keepers, \$88.20 surplus auction sales, \$156.50 sale of equipment to be credited to that special fund, \$59,178.50 amount of collections to be credited to the appropriation for the bureau of customs, \$67,647.93 total of certain refunds made during the year—leaves a net amount accruing to the insular government of \$7,809,659.06, as against \$7,652,054.57 for the previous year.

Adding to the above-mentioned amount of \$7,809,659.06, the sum of \$27,064.90 refundable export duties reverted to the insular government in the absence of claims within two years, and \$18,163.87 duties collected on Philippine products in United States ports and credited to the insular treasury, gives a net amount accruing to the insular government on account of customs revenue, and available for appropriation of \$7,854,887.83, as against \$8,569,678.50 for the previous year, showing a falling off of \$714,790.67, due entirely to the fact that during the fiscal year 1909 the duties collected on Philippine products in the United States ports and credited to the insular treasury amounted to \$892,573.97, while during 1910 they amounted to but \$18,163.87, owing to the free admission of Philippine products into the United States after August 5, 1909.

The expenditures of the bureau of customs in all ports aggregated \$464,085.08, as against \$475,031.31 for the previous year. The total expenditures chargeable to the insular government amounted to \$445,692.18, which, compared with those of the previous year, show a decrease of \$8,437.09. The expenditures in the Moro Province were reduced from \$20,902.04 in 1909 to \$18,392.90 in 1910.

FOREIGN CARRYING TRADE.

The entire commercial intercourse with other countries at all ports was effected by 862 entrances and 872 clearances of vessels, representing an aggregate movement of 3,378,952 registered tons, as compared with 764 entrances and 750 clearances, representing an aggregate tonnage of 2,802,893 registered tons, for the previous year, showing an increase of 576,059 registered tons. The value of the inward and outward cargoes amounted to \$76,948,777, the greater

part of which, that is to say, 73 per cent, was carried by vessels flying the British flag, 9 per cent by Spanish vessels, 6 per cent by German, 5 per cent by American, and 3 per cent by Japanese. Considering the fact that the value of the products shipped to and from Great Britain amounted to \$11,506,570, or 15 per cent of the total, and that the value of the products shipped to and from the United States amounted to \$29,527,549, or 38 per cent of the total import and export trade, it will be seen that United States vessels are not carrying nearly as much of the foreign trade as they should. However, it is very encouraging to note that while the preceding year only four-fifths of 1 per cent of the total foreign trade was carried in United States vessels, during the year under consideration they carried 5 per cent of this trade.

COASTWISE TRADE.

The activity noted during the past year in interisland commerce has been even greater this year, as shown by the increased number of entrances and clearances of vessels engaged in the coastwise trade. There were 9,263 entrances and 9,306 clearances, an increase of 54 entrances and 88 clearances over the previous year.

Licenses were issued at Manila permitting 126 first-class steam vessels, 237 first-class sailing vessels, and 578 lighterage and harbor craft to operate in Philippine waters, representing an increase of 121 vessels over the number licensed during the previous year.

There were in commission at the close of the year 162 steamers and 440 sailing vessels, as compared with 151 steamers and 424 sailing vessels at the close of the previous fiscal year. In addition to the vessels above mentioned, there were 596 craft of various kinds operating in rivers and harbors, as against 537 at the close of the preceding year.

IMMIGRATION AND EMIGRATION.

The total number of persons arriving in the Philippine Islands during the fiscal year was 14,721 and the total number departing 18,127. Of the first-mentioned number 2,308 were immigrants, and of the latter 1,010 were emigrants, showing a net gain to the islands of 1,298 in so far as actual settlers are concerned. There returned from temporary absences abroad 7,223 aliens, and 8,785 departed with the intention of returning within one year. The remainder, both of persons departing from and those coming to the islands is made up of tourists, and of Americans, Filipinos, and foreigners going to and from the United States, its possessions, and the Philippine Islands. Two thousand nine hundred and four Filipinos went to the Hawaiian Islands during the year.

The total number of Chinese entering the islands was 6,819, and of those leaving 7,671, an excess of departures over arrivals of 852. This loss, however, is more apparent than real, as the number of Chinese immigrants was 937, as against 570 emigrants. The Japanese arrivals numbered 725, of whom 552 were immigrants, and the Japanese departures numbered 321, of whom 108 were emigrants. The American arrivals numbered 3,977 and the departures 4,121.

THE GOVERNMENT PIERS.

The use of the new government piers began February 14, 1910. They are used exclusively by vessels plying between the United States and these islands and those regularly employed on the Manila, Hongkong, and Amoy route. The results of their operation have been most satisfactory to all concerned. The expense to importers of general merchandise of getting their cargoes from ship to warehouse has been reduced approximately one-half, effecting a saving of practically ₱3 a ton, and in addition to this they are able to secure their merchandise in less than one-half the time formerly consumed.

The transportation problem from the piers has, however, emphasized the necessity of at least one new bridge over the Pasig River and the extension of the Manila Electric Railway system so as to connect the new piers with the business center of the city.

The two piers already built and now in operation do not accommodate more than one-third of the vessels entering Manila Harbor. Their use, however, effecting as it does so great a saving in both time and money fully demonstrates the desirability of using modern methods in handling cargo, and shows the advisability of at once beginning the construction of additional piers sufficient to accommodate all general cargo vessels arriving at Manila.

BUREAU OF INTERNAL REVENUE.

COLLECTIONS.

The following is a résumé of the collections made by the bureau of internal revenue during the fiscal years 1909 and 1910:

Item.	1909	1910
Internal-revenue taxes.....	₱11,742,534.38	₱13,793,419.46
United States internal-revenue taxes.....		561,407.41
Opium taxes and fines.....	88,088.29	120,396.52
Weights and measures taxes.....	41,630.14	59,274.08
San Lazaro estate rentals.....	48,686.66	48,271.25
San Lazaro estate, miscellaneous.....		405.00
Sales of public mineral lands.....	7,612.67	2,753.40
	11,928,552.14	14,585,927.12
Municipal taxes, Manila.....	2,765,851.18	2,975,103.68
Grand total.....	14,694,403.32	17,561,030.80

Collections under the first seven heads above mentioned are for and on behalf of the insular government. Collections under the last-mentioned head are made by the collector of internal revenue as ex officio city assessor and collector for the city of Manila.

Compared with the collections of last year, this shows an increase of ₱2,866,627.48, equal to about 19½ per cent, of which ₱1,787,946.07 are due to certain increases in tax rates and receipts from new sources, and ₱1,078,681.41 are due to improved business conditions in the islands.

Internal-revenue collections were made as follows:

Item.	1909	1910	Increase.		Total increase.
			Due to increased business.	Due to increased tax rates.	
Distilled spirits, domestic.....	P1,899,043.35	P2,269,160.70	P184,688.45	P185,428.90	P370,117.35
Distilled spirits, imported.....		267,725.10		267,725.10	267,725.10
Wines.....		157,332.00		157,332.00	157,332.00
Fermented liquors, domestic.....	145,460.00	153,480.00	8,020.00		8,020.00
Fermented liquors, imported.....		23,921.72		23,921.72	23,921.72
Manufactured tobacco, smoking and chewing, domestic.....	126,078.15	147,770.33	21,692.18		21,692.18
Manufactured tobacco, smoking and chewing, imported.....		63,677.98		63,677.98	63,677.98
Cigars, domestic.....	204,847.07	213,546.69	8,699.62		8,699.62
Cigars, imported.....		44.62		44.62	44.62
Cigarettes, domestic.....	2,766,982.39	3,308,804.07	13,989.35	527,832.33	541,821.68
Cigarettes, imported.....		576.01		576.01	576.01
Matches.....	292,486.72	346,046.95	53,560.23		53,560.23
Dealers in alcohol and tobacco products.....	496,038.36	513,984.26	17,945.90		17,945.90
Merchants, manufacturers, and common carriers.....	1,276,577.46	1,537,226.36	260,648.90		260,648.90
Occupations, trades, and professions.....	476,770.23	496,977.91	20,207.68		20,207.68
Documentary stamp taxes.....	189,033.51	220,056.35	31,022.84		31,022.84
Banks and bankers.....	170,684.40	188,175.06	17,490.66		17,490.66
Forest products.....	251,380.00	271,581.74	20,201.74		20,201.74
Miscellaneous.....	14.56	70.61	56.05		56.05
Cedulas, personales.....	3,425,875.40	3,593,196.00			167,320.60
Total.....	11,721,271.60	13,773,354.46	658,223.60	1,226,538.66	2,052,082.86
Insurance companies.....	21,262.78	20,065.00	Decrease		1,197.78
Total.....	11,742,534.38	13,793,419.46	Net total increase.....		2,050,885.08

According to this table there has been an increase not only in the total collections of internal-revenue taxes, but in each of the items going to make up the total, except in the tax on insurance companies. This shows an undoubted improvement in the financial condition of the country. The falling off in the tax on insurance companies is owing to the fact that by Act No. 1899, passed July 1, 1909, it was provided that upon reinsurance by a company which had already effected insurance and paid the tax no further tax should become due. The total increase in internal-revenue tax collections is ₱2,050,885.08, or 17½ per cent as compared with the fiscal year 1909. Exclusive of the cedula tax the increase is over 22½ per cent.

Of the total amount of internal revenue collections there accrued to the insular government ₱6,646,004.45, to provincial treasuries ₱4,232,067.30, to municipal treasuries ₱2,915,347.71, as compared with ₱4,772,311.43, ₱4,086,908, and ₱2,869,364.63, respectively, for the year 1909.

It is to be noticed that, excepting the cedula tax, which goes to the municipalities and provinces and of which the insular government receives no share, and certain license taxes which accrue in their entirety to the municipalities, neither the municipalities nor the provinces receive any share of the increase in the other internal-revenue tax collections. This is due to the fact that the Commission, under authority of the act of Congress of August 5, 1909, provided in Act No. 1964 that no province or municipality should receive as its share of internal-revenue collections a greater amount than that received during the year ended June 30, 1909.

COST OF COLLECTION.

The cost to the government of making these collections by the bureau of internal revenue, not including the expense of collection incurred by the provincial governments, was ₱655,269.32, equal to 3.75 centavos for each peso collected, exclusive of the amounts collected in the United States, as compared with a cost of 4.48 centavos for each peso collected during the fiscal year 1909, 4.90 centavos during the fiscal year 1908, and 5 centavos during the fiscal year 1907. This sum includes ₱552,984.21 received by appropriation and ₱102,285.11 from the city of Manila for the assessment and collection of city taxes and charges.

In addition to the amounts shown above ₱9,180 were expended from funds received by appropriation and ₱24,000 from the special opium fund, making a total of ₱33,180 expended in the enforcement of the law prohibiting the importation, sale, or use of opium except for medicinal purposes.

DISTILLED SPIRITS, WINES, AND LIQUORS.

Of the tax-paid domestic distilled spirits removed from distilleries for consumption, 10,382,824 proof liters were produced from other materials than grain, and 9,598 from grain; and of the distilled spirits imported, 21,617 proof liters were produced from materials other than grain, and 378,836 from grain.

There were 8,020 proof liters of distilled spirits of domestic manufacture exported to other countries, and 183,682 removed from distilleries without the payment of tax as denatured alcohol for industrial purposes.

The total output from registered distilleries during the year was, therefore, 10,584,124 proof liters, or nearly 1,000,000 in excess of the total removals during the fiscal year 1909, and about 2,000,000 in excess of the total removals during the fiscal year 1908. The total consumption during 1909 of 9,450,542 proof liters has increased to 10,576,104 in 1910.

From August 7, 1909, to June 30, 1910, there were removed for consumption, tax paid, 306,149 gauge liters of domestic imitation still wines containing not more than 14 per cent of alcohol, and 55,082 containing more than 14 per cent of alcohol. During the same period there were imported 692,898 liters of still wines containing not more than 14 per cent of alcohol, 334,858 containing more than 14 per cent of alcohol, and 18,318 of sparkling wines.

The total output of domestic beer exceeded that of the preceding year by 134,522 liters. There were exported to other countries 1,650 liters, as compared with 17,228 during the fiscal year 1909. This shows that while there has been a decrease in the amount of beer exported, the increase in the local consumption noted the previous year still continues.

TOBACCO PRODUCTS AND MATCHES.

The leaf-tobacco regulations, the enforcement of which began in some provinces in September, 1907, are now in operation in all the

tobacco-producing provinces. They are of great assistance in the prevention of fraud on the revenues, and have furnished statistical data of great value to the government and to growers and manufacturers. The following statement, taken from the leaf-tobacco accounts, shows the production of leaf tobacco, the quantity exported, and the quantity used in the manufacture of cigars, cigarettes, and chewing and smoking tobacco for domestic consumption and for export during the calendar year 1909:

Leaf tobacco on hand by dealers and manufacturers		Kilos.
December 31, 1908-----	9, 416, 627	
Production, 1909-----	24, 009, 227	
		33, 425, 854
Exported to the United States-----	6, 028	
Exported to other countries-----	9, 472, 579	
Manufactured into cigars, cigarettes, and smoking and chewing tobacco:		
Consumed in the Philippine Islands-----	9, 521, 889	
Exported to the United States-----	423, 686	
Exported to other countries-----	1, 319, 826	
Used for industrial purposes, disposed of through retailers to consumers (no tax is imposed on cigars and cigarettes made by hand by the actual consumers thereof), and shrinkage-----	3, 827, 968	
		24, 571, 976
Leaf tobacco on hand by dealers and manufacturers,		
December 31, 1909-----		8, 853, 878

The increase of ₱21,692.18 in the collection of taxes on domestic smoking and chewing tobacco is equivalent to an increase in the output of the various manufactories of 45,192 kilograms. From August 7, 1909, to June 30, 1910, there were imported 36,670 kilograms of chewing tobacco and 94,138 of smoking tobacco, all of which was from the United States, and almost wholly for consumption by soldiers and sailors of the United States Army and Navy stationed in the Philippine Islands. The exports of smoking tobacco amounted to 21,940 kilograms, as against 26,801 for the year 1909 and 27,888 for the year 1908.

The increase in the production of cigars, which began in the year 1907, continues. The production was 285,561,328, as against 204,649,901 for the previous year. The production for the year 1906 was only 168,526,079. The domestic consumption amounted to 89,272,890, as against 86,800,520 during the year 1909. Cigars were exported to foreign countries to the number of 109,006,765, as against 116,981,434 the previous year, while exportation to the United States increased from 867,947 during the year 1909 to 87,281,673 during the fiscal year 1910—nearly three-fifths of the number allowed to enter free of duty.

A small decrease is shown in the production of cigarettes. During the year 4,173,507,249 cigarettes were produced, as compared with 4,175,635,537 during the fiscal year 1909. Of this number, 4,138,647,668 were consumed in these islands, as compared with 4,122,385,209 consumed during the preceding year. There were exported 34,859,581, as against 53,250,328 exported in 1909. From these figures it appears that the increased consumption of cigarettes in these

islands, which was first noticed in 1907, still continues, and that the decrease in exports, first noticed in 1908, also continues.

The output of the one match factory in the islands increased 25 per cent over that for the fiscal year 1909, while the quantity of matches imported shows a falling off, as compared with the fiscal year 1909, of less than 1 per cent.

LICENSE TAXES.

Dealers in alcohol and tobacco products.—Owing to the improvement in business conditions generally, an increase is shown in the amount collected this year from dealers in alcohol and tobacco products, while last year there was a decrease. The amount collected this year was ₱513,984.26, during 1909, ₱496,038.36, and during 1908, ₱502,183.93.

Merchants, manufacturers, and common carriers.—The improvement in business noted during the last half of the fiscal year 1909 has continued, resulting in considerable increase in tax collections from this source. The sum of ₱1,537,226.36 was collected during the year 1910, as against ₱1,305,313.70 during the year 1908. Of the amount collected, 92.8 per cent was paid by merchants, 6 per cent by manufacturers, and 1.2 per cent by common carriers. The increase in percentage taxes from merchants and manufacturers was ₱260,648.90, or 20 per cent, as compared with the collections during the fiscal year 1909, indicating an increase of over ₱78,000,000 in the gross value of goods, wares, etc. (exclusive of liquors and tobacco products and all exports), sold by merchants and manufacturers throughout the islands.

Occupations, trades, and professions.—Of the total amount collected under this head, 75 per cent was paid by proprietors of cockpits, 10 per cent by lawyers, doctors, civil engineers, and surveyors, and 15 per cent by all other occupation-license taxpayers. Collections from owners of cockpits accrue intact to the treasuries of the respective municipalities in which such taxes are collected. The provisions of the law authorizing the imposition by them of additional taxes on cockpits was availed of by 451 municipalities, and in 85 no cockpit licenses were issued during the year.

BANKS AND BANKERS.

As shown by the amount of taxes assessed and collected thereon, the average monthly deposits with banks has increased from ₱13,250,000 in 1905 to over ₱21,500,000 in 1909, not including deposits with the Postal Savings Bank.

CEDULAS PERSONALES.

The double cedula tax was put in force in 33 provinces, in which reside nearly 94 per cent of the cedula-paying population, as compared with 32 provinces in which resided 92 per cent of the cedula-paying population in 1909. Over 90.6 per cent of the cedulas sold during the year were without delinquency charges added.

WEIGHTS AND MEASURES.

The change in the metric system has been effected with very slight opposition, and that only from a few merchants in Manila. Metric weights and measures only have been sealed and licensed during the year.

Scales, balances, weights, and measures in the metric system were tested and sealed during the year as follows: Steelyards, 3,614; platform scales, 1,301; balance scales, 1,167; linear measures, 8,709; dry and liquid measures, 87,463; making a total of 102,254.

OPIUM.

During the year 1,740 persons were apprehended for violation of the opium law, of whom 1,142 were convicted. The defendants in 38 cases were deported, 220 cases were compromised, and 205 were pending at the close of the year. The number of acquittals was 173.

The following is a summary of the operations under the opium law during the period from March 1, 1908 (the date on which the importation, traffic in, use, and possession of opium, except for medicinal purposes, became unlawful), up to and including June 30, 1910:

Number of persons charged with violations.....	3,957
Number of convictions (including cases compromised).....	3,077
Total amount of fines imposed.....	P409,329.17
Average amount of fines imposed.....	P184.54
Total amount of fines paid.....	P222,659.91
Average amount of fines paid.....	P152.95
Number of imprisonment sentences.....	1,009
Average term of imprisonment imposed, 3 months and 24 days.	
Number of habitués treated in government hospitals.....	478
Number of habitués treated in private hospitals under government supervision.....	416
Number of alien offenders deported.....	51
Quantity of opium seized (bureaus of customs and internal revenue).....kilograms..	1,504

The amount of tax collected on opium is a negligible quantity and is included in the item of fines paid.

For more detailed information in regard to the work of the judiciary and the several bureaus under this department, reference is made to the reports of the attorney-general, the insular treasurer, the insular collector of customs, and the collector of internal revenue.

Respectfully submitted.

GREGORIO ARANETA,

Secretary of Finance and Justice.

To the honorable the GOVERNOR GENERAL,

Manila, P. I.

REPORT OF THE SECRETARY OF
PUBLIC INSTRUCTION.

REPORT OF THE SECRETARY OF PUBLIC INSTRUCTION.

DEPARTMENT OF PUBLIC INSTRUCTION,
Manila, October 1, 1910.

GENTLEMEN: I have the honor to submit for your consideration the ninth annual report of the Department of Public Instruction for the fiscal year ended June 30, 1910.

BUREAU OF EDUCATION.

LEGISLATION.

The following legislation pertaining to the work of the public schools was enacted during the past year:

By Act No. 1960 the Philippine Commission appropriated ₱110,000 for the support of the schools in the non-Christian provinces during the fiscal year 1910.

By Act No. 1961 the Philippine Commission appropriated ₱39,000 for school buildings in the non-Christian provinces.

By Act No. 1973 the Legislature appropriated ₱150,000 to increase the general appropriation of the bureau of education for the fiscal year 1910.

By Act No. 1974 the Legislature amended Act No. 1801, providing that buildings might be erected upon public lands, or lands owned by municipal, insular, or provincial governments.

By Act No. 1983 the Legislature appropriated ₱30,000 for student scholarships in the Philippine Normal School and the Philippine School of Arts and Trades.

By Act No. 1984 the Legislature appropriated ₱50,000 for teacher scholarships in insular schools.

By Act No. 1988 the Legislature appropriated ₱100,000 to aid municipal governments in the construction of central school buildings.

By Act No. 1989 the Legislature appropriated ₱3,610,000 to carry on the work of the bureau of education during the fiscal year 1911.

By Act No. 1992 the Philippine Commission appropriated ₱215,000 to carry on the school work in the non-Christian provinces during the fiscal year 1911.

By Act No. 1994 the Commission appropriated ₱30,000 for the construction of schoolhouses in the non-Christian provinces, and ₱25,000 for school buildings and improvements in the Baguio teachers' camp.

This legislation involves no new ideas; it provides only for the continuance of work already begun.

GENERAL STATEMENT.

At the close of the past school year there were in operation throughout the islands 4,295 primary, 198 intermediate, and 38 secondary schools; a total of 4,531 public schools.

The largest monthly enrollment was 451,938 pupils, of whom 432,585 were in the primary, 16,898 in the intermediate, and 2,455 in the secondary schools. These figures indicate the character of the work which is now being done.

The course in the primary schools is four years, a little less than the average time spent in school by the children of the United States; so that if all of our primary pupils completed the entire course they would be spending in school almost as much time as the children in the United States. In these schools all pupils are taught, in addition to the English language, simple arithmetic and geography, at least the rudiments of some useful occupation; and learning to do something with their hands they become productive factors in the community. The spread of industrial education has recently been rapid in the Philippine Islands, as it has in the United States. The people of the Philippines have taken kindly to this class of education, as a rule are enthusiastic for its development; and I believe we have gone further and secured better results than, in general, have the schools of the United States.

There are still many more boys than girls in our schools. Of a total enrollment of 451,938 children, 277,675 were males and 174,263 females. The proportion of girls to boys is growing, however, and within a few years the people will without doubt have learned that it is as important to educate the girls as it is the boys.

There were employed last year 9,007 teachers, of whom 732 were Americans and 1,010 Filipinos employed by the central government but in large part teaching in municipal schools. There were employed and paid by the municipal government 7,120 Filipinos, 145 of whom were Filipino aspirantes.

The personnel of the American teaching force is of a better character than it has ever been before. During the year a special effort was made to eliminate those Americans whose services did not seem to be of the highest quality. This resulted in weeding out a few teachers who for one reason or another had failed to meet completely the requirements of the bureau. Great care is also being taken in selecting new teachers in the United States, and I doubt whether there can anywhere be found a more able and earnest body of men and women than the American teachers now in the Philippine Islands. This is as it should be, for the salaries paid Americans are sufficiently large to secure the highest type of public-school teachers.

So much, however, can not be said of the Filipino personnel. Unfortunately the salaries paid these teachers are small, and until they are considerably increased many of our best teachers will leave the service of the bureau of education to enter more profitable fields of employment. A recommendation that the current appropriation be increased for this definite purpose was made to the Legislature at its last session. The Legislature responded readily to the suggestion and appropriated the sum of ₱85,000 for this and two or three kindred purposes. The measure, however, was passed at a time when it was

not known what effect the new revenue laws would have upon the receipts of the government and an agreement was then entered into that this sum would not be drawn upon until the Governor-General had become satisfied that the revenues of the islands would stand the additional drain. Up to the present the Governor-General has not felt that sufficient revenues were assured, and it has not been possible, therefore, yet to increase the salaries or to do the other things for which this money was set aside. When these increases are made it is believed that the quality of our Filipino personnel will be much improved. Young Filipinos, both men and women, have in considerable numbers shown capacity as teachers, and, by encouragement in the way of promotion for those who make progress and deserve recognition, we should in a few years be able to replace a large number of American teachers by Filipinos. This will not be difficult, because our American school-teachers, as a rule, stay here for only two or three years, and vacancies occur more rapidly than they can be filled by appointment from the United States.

TEXTBOOKS.

When our public schools were first organized it was difficult to find textbooks suited to the needs of the people and to conditions prevailing here. The only books obtainable were those used in the public schools of the United States, and while these were no doubt well adapted to that use they but poorly filled our needs. As the director of education says:

The primers and readers have much to say of the changes of seasons of a temperate country, and of fruits and flowers and birds which have never been seen or heard of here; of a home life and social customs which are beyond the experience and comprehension of children of the Tropics. The arithmetics deal with weights and measures unknown in the Orient; their problems are based on the buying and selling of products in which these pupils have no interest. The geographies are descriptive of North America and the States of the Union; they ignore the home of the Filipino and give scant treatment to the Orient in general. The histories deal with America and Europe, making no mention of the Philippine Islands, little of China, Japan, and Malaysia. The texts on nature study and plant and animal life tell the child of a vegetation and a fauna which are as strange to the Filipino as German script to a boy or girl in an American primary school.

It was, therefore, found necessary to provide a series of textbooks prepared especially for use in the Philippine Islands. This was not an easy task. The government never undertook the work itself, but many teachers and other persons familiar with conditions here prepared texts, the best of which were thoroughly tested by actual use in the schools. After a number of years the bureau has at last secured a series of primary textbooks, which, while no doubt capable of improvement, are admirably adapted to our needs.

Some advanced texts, written particularly for the use of our schools, have also been adopted; and recently the bureau devised a plan of from time to time issuing manuals dealing with special classes of work, such as "School and Home Gardening," "Embroidery and Lace Making," "Constructive Lessons in English," and other kindred subjects.

INDUSTRIAL EDUCATION.

Industrial education, which was introduced into our public-school system a number of years ago, has received unusual impetus during the past year. Heretofore the work has been largely experimental; we are now profiting by the result of the experiments and have a fairly uniform system of instruction. Its supervision has been placed under the immediate control of the second assistant director of education, who has had much practical experience in organizing industrial work and who is giving to it a large part of his time and thought. A number of our industrial schools are already self-supporting, and, as the work becomes better organized, this should be the rule rather than the exception. Among the subjects taught are hand and loom weaving, gardening and agriculture, woodworking, iron-working, bamboo working, pottery, domestic science, household arts, and similar industries. Last February 381,878 pupils were receiving industrial instruction, the greater portion of them in more than one subject. The work is grouped under four general divisions: Minor industries, gardening and field agriculture, trade and manual training, housekeeping and household arts.

The teaching of these subjects is attended with many difficulties; schools which have classes in gardening and field agriculture must possess a considerable amount of land. This is not always obtainable, and, even when it is, not infrequently a considerable amount of money must be spent to make it suitable for use. Trade and manual-training schools call for somewhat expensive shop equipment and teachers who have received a technical education. The demand for such teachers is large and, in consequence, they are difficult both to obtain and to keep permanently in the service. For teaching many of the household arts also considerable equipment is needed and teachers, not only specially trained for the work, but also possessing considerable tact and business acumen. These difficulties are quite generally understood by provincial and municipal officials, as well as by the people themselves, who as a rule have actively cooperated with the government in the development of this work.

SCHOOLHOUSE CONSTRUCTION.

A number of new school buildings were erected during the year and many more are in process of construction. The provisions of Act No. 1801, which require a substantial contribution from the people of the locality to which insular aid is given, have awakened more active interest in the construction of schoolhouses than has ever before been shown. It is true that large sums have heretofore been distributed from the insular treasury for similar purposes. By Acts Nos. 1275, 1580, and 1688 there were appropriated ₱1,000,000, which has been distributed in various parts of the islands by the secretary of public instruction; but none of these acts required contributions from the people immediately benefited, and frequently considerable sums were given communities which perhaps had less interest in school work than in obtaining for their town an attractive public building. Under Act No. 1801, however, conditions have been different, the buildings erected have, as a rule, been simple, although sub-

stantial, having been designed for the very useful purpose of housing our primary schools.

At the close of the year ₱852,500 of ₱1,000,000 appropriated by Act No. 1801 had been allotted or set up for allotment, and municipalities had contributed ₱743,638, making available for the erection of school buildings about ₱1,600,000. There now remain only ₱148,000 available for allotment. When this appropriation has been expended there will have been built more than 300 modern school-houses of permanent construction and of a type well suited to the climate of the Philippines. These buildings will be scattered throughout the islands, for the people of the various provinces have vied with each other in their efforts to secure as many buildings as possible. Strange to say, however, two of the provinces organized under the provincial government act—Batangas and Capiz—had not, up to the close of the year, met the conditions and obtained aid from this act. This failure to seek aid does not indicate that aid is not needed; it will be many generations before the islands are provided with adequate school buildings. It seems to be due rather to the apathy of municipal or, perhaps, provincial officials, who have not availed themselves of this opportunity to benefit their communities, many of which are keenly interested in the work of the schools. The result will be that these new schoolhouses will be scattered throughout the Archipelago—many of them in remote barrios where the people are poor and where notable sacrifices were made in obtaining them—while these two provinces, comparatively rich, will be without a building under this act unless obtained soon. No reason for this lamentable lack of patriotic interest is known to this department.

The construction of new school buildings is one of our distinct advances during the past year. However, many more buildings are needed; and if we are to continue this work, the Legislature must make a further appropriation for the purpose. If this is to be done the conditions attaching to allotments should be identical with those obtaining in Act No. 1801, as amended, which has unquestionably given better results than other Acts of similar intent.

NORMAL SCHOOL.

The Philippine Normal School, the opening of which was practically coincident with the inauguration of our present school system, has been completely reorganized during the past year. Opened as a training school for teachers, it had by degrees wandered far from its original purpose. As our school system developed, there arose from time to time urgent need for training of a special character, and as there was no other institution in which to have them, classes for such training were one by one opened in the Normal School. Because of the small salaries paid teachers, these courses attracted many more pupils than did the normal course. During the past year these special classes were eliminated from the Normal School and either discontinued altogether or provided for elsewhere, many of them in our new University of the Philippines, and the school is now as was originally planned, strictly a place for training teachers.

The Legislature has set aside a generous sum for a new Normal School building; the contract has been let and the building is now

being erected on a satisfactory site near the corner of Bagumbayan and Calle Taft, in Manila.

The importance of this school to the Filipino people can not be overstated. To it we must look for the training of a majority of our best public-school teachers, and upon these teachers rests the future development of the people of the islands.

In connection with this school we have for many years maintained a girls' dormitory, which is, and has been, of great importance in supplementing its work. Young women from every part of the islands live in the dormitory, where they are given unusual opportunities for culture and refinement. It is a distinct feature in the social life of the Filipinos in Manila and its influence extends to every province in the islands. The present buildings are not the property of the government, and while they serve our present needs fairly well, they are located too far from the site of the new school and are quite insufficient to permit of the expansion which will then be necessary. Even now the dormitory fails of its best work by reason of overcrowding.

It is recommended that, if the finances warrant it, an appropriation be made at this time for the construction of a girl's dormitory in connection with the Normal School. The making of plans and preliminary arrangements required considerable time, and if the appropriation is made now it will be some two years or more before the building will be ready for occupancy. By that time the situation in the present dormitory will have become acute.

FILIPINO STUDENTS IN THE UNITED STATES.

The policy of sending Filipinos as students to the United States for collegiate education was adopted in 1903. In that year more than a hundred students left for America, and each succeeding year a smaller and smaller number has been sent. At present the government maintains there some 26 students.

Appointments at first were largely made without examination, and in consequence many of the students sent were not fitted for collegiate work. The effect of this was naturally to discredit, in a measure, the entire policy; but with the constant increase in the number of pupils trained in our high schools and the consequent opportunity for careful examination and selection, the work of the government students has continually improved and we have received, and are receiving, into the service many excellently trained Filipinos who have been graduated from the leading colleges of the United States.

When we first began sending students abroad there were in the Philippines no government institutions offering more than high-school courses. Conditions now are entirely different. As a part of the public-school system we have, in addition to the Normal School, a School of Commerce and several well-equipped trade schools; and in the Government University the following colleges have been organized: A College of Medicine and Surgery, a College of Agriculture, a College of Liberal Arts, a College of Civil Engineering, a Veterinary College, and a School of Fine Arts. This necessity, therefore, no longer obtains.

In many respects our students can be better trained here than in the United States. They live in the environment to which they are accustomed, are in daily contact with their own people, and become impregnated with their ideas and aspirations. Instruction, too, is, so far as may be, adapted to conditions which prevail here but which do not prevail in the United States. Our medical college, for example, gives an unusually thorough course in tropical medicine, and in our hospitals the student is brought into daily contact with diseases which in after life he will constantly be called upon to combat, but which are not found in temperate climates. To an even greater extent this is true in teaching agriculture. While in the United States a student would receive a thoroughly scientific training and become familiar with the latest and best methods, yet crops which he must raise and the problems which he must face here are radically different from those which he studied and learned to overcome in college. Our immediate need for veterinarians is in the eradication of rinderpest and surra, diseases which are not prevalent in America.

The matter of expense is serious; four students could be kept in college here for what one costs in the United States, and the amount necessary to educate a hundred students in America would go no little way toward maintaining our university during the years they spend in college. I am thoroughly convinced, therefore, that not only can we better equip students here than by sending them away, but that we are not justified in making the large expenditures necessary to maintain them in the United States. It may be that from time to time special urgency for training in some branch of work which we have not facilities for giving may make it advisable to send a few carefully selected students abroad; and for this reason I favor the retention in the law of the authority whereby the Governor-General, or other proper official, in exceptional cases, may designate students for instruction in the United States.

THE ENGLISH LANGUAGE.

I wish again to emphasize the importance to the people of the Philippines of the acquirement of a common language—a thing so far unknown in the Archipelago. It may not so much matter what the language is, but it is of primal consequence to any attempt at unification that the people shall be able to communicate with one another in a tongue which all understand. Until they are able so to exchange their thoughts and ideas there can be no real national life.

Gratifying progress has been made toward this end. More persons in the Philippine Islands speak and write the English language than speak and write any other one language or dialect. It would perhaps have been too much to have hoped for more rapid progress, but it is believed that the government can aid this important work in other ways than it is at present. With few exceptions the municipalities still retain Spanish as their official language, in spite of the fact that in many of them more persons understand English than understand the former tongue. I wish to repeat my recommendation of last year that the government should promptly take steps to establish English as the official language wherever possible. This is urged not only because English is the one language which the people in general have the opportunity of learning, but because, fortunately for them, its

use as the business language of the world each year becomes more widespread. A Filipino, who recently returned from a visit to most of the important countries of the world, said to me that in every capital where he stopped he was able to transact all his ordinary affairs by the use of English.

Further to defer the time when English is to become the official language of the courts would retard the realization of the aspirations and hopes of the people, and work much injury to our public schools, in which young men who have been trained to take their place in the affairs of the islands have been taught only the English language.

CHANGE OF DIRECTORS.

Announcement of the resignation of the then director of education was made in the last annual report of this department. Shortly after its publication the assistant director also tendered his resignation, and both gentlemen left the islands late in November. These resignations made necessary a complete change in the headship of the bureau.

Mr. Frank R. White, the second assistant director, who has been in the service of the bureau of education a number of years, was promoted to the directorship. Mr. Frank L. Crone and Mr. Charles H. Magee, successful division superintendents, who had also been with the bureau practically since its organization, were respectively appointed assistant and second assistant director. These three men are young, active, and earnest, and under the new organization progress has been noteworthy. They have made few changes, rather concentrating their efforts in the development of those phases of school work which experience has shown to be the most important, and the bureau evidences an increase in efficiency and a hearty spirit of cooperation. It is believed that with these directors, assisted by an able and earnest body of teachers and the great interest manifested by the Legislature and the people generally, we may expect much from the future activities and work of the bureau of education.

In the annual report of the director of education will be found a clear and detailed statement of the work of that bureau during the past year.

PRIVATE SCHOOLS.

As a result of the conditions prevailing prior to American sovereignty a large number of privately conducted schools are maintained in the Philippine Islands. Some of these schools are under the control of church organizations, others are conducted simply as private commercial enterprises; and the quality of the work done in them—many of which bear the title college or university—varies greatly. Under the corporation law only institutions which have been so authorized by the secretary of public instruction may grant degrees or issues diplomas. None the less the islands have been flooded with certificates purporting to confer upon the recipients various academic degrees. In some cases these degrees represent a considerable amount of work and expenditure of money; but they are of no legal value to their possessors and certainly can not be taken as evidence that even a high-school course has been completed. In some cases, without doubt, supposititious degrees have been sold outright.

Last year a determined effort was made to change this condition. The department took up with the authorities of some of the best of the private schools the question of conferring upon them the authority to grant degrees. They, without exception, manifested their earnest desire to assist the secretary of public instruction in every possible way in placing their schools upon a basis which would justify him in granting such authority. The task was difficult, however; most of the schools had given little or no instruction in English, although the best of them have year by year been fitting themselves to increase the amount of English taught, with the purpose of eventually giving all instruction in English. It was, of course, necessary to standardize the schools, so that their work would harmonize with the work of our public schools and that a certificate from one school would, in a general way, represent the same attainments as that from another. A detailed course of study was prepared; and has since been adopted by a large number of these schools. Not infrequently, however, because of the lack of instructors or of proper school equipment, it is easier to adopt the course than it is to give it.

Mr. P. S. O'Reilly, formerly division superintendent of Ilocos Norte, has been detailed to assist the secretary of public instruction in this work. Mr. O'Reilly has shown himself possessed of tact and of a sympathetic insight into the work the private schools are attempting. In many instances he has given freely his time and advice in aiding schools to adopt a course of study and showing them in great detail how they might actually do the work prescribed with the resources at their command.

The course embraces thirteen years; and upon its completion the bachelor of arts degree may be conferred. Of these years four are devoted to primary instruction, three to intermediate, four to high school, and the last two to studies ordinarily found in a college course. While in some respects it is unfortunate that the bachelor's degree here will not mean as much as it does in the United States, I think that without doubt the standard has been made as high as it can safely be at present. As it is, the course usually given in the islands heretofore has been considerably lengthened and has had many subjects added to it. It is also true, I think, that the people here mature, both physically and mentally, earlier than people of more temperate climates, and perhaps thirteen years are as many as in ordinary circumstances they can afford to devote to their general training.

In order to insure good faith and satisfactory work, the following provisions have been inserted in each authority issued by the department:

It is further provided that no certificate or degree shall be granted to any student who has failed to obtain reasonable proficiency in the course for which the same is granted; and provided further, that the secretary of public instruction reserves the right to satisfy himself at any appropriate time by inspection or by examination, or both, conducted by himself or his duly authorized agent, of the strictness with which the courses prescribed in said college are being followed and the thoroughness of the instruction therein given, the adequacy of equipment, and the proficiency of students to whom such college proposes to issue such certificates or degrees under this authority.

In case of failure on the part of the ——— to observe and maintain the required standard in any of the foregoing particulars, the authority hereby granted may be revoked and canceled.

As an earnest of the cooperation which may be expected from the private schools, it may be said that at present 15 of them are giving the entire primary course in English, 7 both the primary and intermediate, and in 2 all instruction is given in English. Although the authority to confer degrees has not been limited to those schools which are able to give their work in English, all have been informed that as opportunity offers, either in the selection of new teachers or the adoption of new textbooks, it is expected that the number of subjects taught in English will be gradually increased. A number of the schools even now use many of the textbooks which are prescribed for our public schools.

Mr. O'Reilly's work is ably seconded by Mrs. Jamison, an experienced teacher, who devotes her attention exclusively to schools and colleges organized for girls.

Under the new standardization plan the following institutions have been given authority to confer upon their graduates the bachelor of arts degree: The Assumption, Ateneo, San Juan de Letran, San Beda, and the Silliman Institute; and the Burgos Institute, La Consolación, and the Liceo de Manila have been authorized to issue certificates stating that their graduates have completed a high-school course. Twenty-seven other institutions are seeking government approval, and in several cases it will undoubtedly be granted at the beginning of the next calendar year. A number of them, however, have not yet a faculty sufficiently well trained to give the required course; others lack the necessary equipment. Perhaps a few will not be able to conform to the standard at all.

I think that if authority were given all organized schools and colleges to purchase books and supplies directly from the bureau of education it would do much toward standardizing their work and creating a still greater bond of sympathy between the public and private schools.

I wish again to emphasize my appreciation of the spirit of cooperation and assistance which has characterized all private schools of the better class. Their willingness to accept suggestions and their earnest desire to attain to the prescribed standards have been most gratifying and encouraging.

THE UNIVERSITY OF THE PHILIPPINES.

In the last annual report of this department announcement was made of the organization of the university. During the past year the institution has been considerably developed. While the control of the Medical School has not yet formally passed to the board of regents, it will undoubtedly do so in the near future, and the school will become the College of Medicine and Surgery of the University of the Philippines.

The Medical School has recently moved into its newly completed building on Calle Herran adjacent to the government laboratories and the new General Hospital. It is now quartered in a handsome, well-constructed building which will, for a number of years, well serve its needs. There are at present in attendance about 64 students, while we have laboratory facilities for more than 200.

The standards of the Medical School are equivalent to the standards of the better schools in the United States, and its graduates will

be well and thoroughly trained. Details of its organization and work will be found in the report of the dean of the faculty.

COLLEGE OF AGRICULTURE.

The College of Agriculture, which is located some 2 miles from Los Baños, in the province of La Laguna, has now entered upon its second year. Several new buildings are nearing completion, and ready access to the college grounds has been provided by the construction of a road leading to the main highway between Los Baños and Bay. Plans have been prepared for a combined irrigation and power system, and work thereupon will soon be commenced. Under the administrative control of the dean of this college, but with teachers and equipment furnished by the bureau of forestry, a course in forestry is now being given.

Provision was made last year for professors of agronomy and chemistry, but up to the present we have been unable to find the men desired for these positions. It is hoped that they may be found before the beginning of the next school year. The college has now an enrollment of something more than 90 students, who seem genuinely interested in this work, which is of such consequence to the future of the islands.

VETERINARY COLLEGE.

Small buildings for the Veterinary College were erected adjacent to the Pandacan quarantine station, but, notwithstanding the great need existing here for skilled veterinarians, it has so far been almost impossible to secure students. Either the youth of the country does not understand the importance of this profession or it has some prejudice against entering it. Animal disease is one of the great causes of the business depression from which the islands have for several years suffered, and until this disease is either eradicated or more satisfactorily controlled than it is now the betterment of conditions will be slow. There are no Filipinos trained as veterinarians; it has consequently been necessary to bring veterinarians from the United States and in numbers which have proved a considerable drain upon the treasury. The salaries commanded by veterinarians sufficiently well educated to be of real service here are comparatively so large that the government finds difficulty in meeting its needs.

There are at present but three students in the college; there should be 40, and plans are now being matured which should result in a considerable increase in enrollment next year.

COLLEGE OF ENGINEERING.

The College of Civil Engineering was opened in June with an enrollment of 15 students. They have so far done satisfactory work and should develop into capable engineers, for which there is constant need in the islands.

COLLEGE OF PHILOSOPHY, SCIENCE, AND LETTERS.

The College of Philosophy, Science, and Letters was also established at the beginning of the present school year. This college is really an

extension of a junior academy which had heretofore existed in connection with the Normal School.

Some 90 students are enrolled, but many of them are taking a course preparatory to their college work. This course will be discontinued as soon as these students are ready to enter the college itself. This and the College of Engineering have been able in large part to use the same faculty.

It is recommended that the cumbersome name of this college be changed by the Legislature and that it be called the College of Liberal Arts.

SCHOOL OF FINE ARTS.

The School of Fine Arts has continued the satisfactory work of the preceding year. Two instructors have been added to its faculty, which now consists of a dean and eight instructors.

The number of pupils in the elementary courses has been decreased by reason of more difficult entrance requirements, while the number of advanced students has increased. During the last week in March a public exhibition of the work of the school was given and medals were awarded in the various classes. There are matriculated this year 703 students, 250 of whom are taking advanced work.

Upon the whole, a fair beginning has been made in a university which will offer to the youth of the Philippines an opportunity for higher education and professional training. Other colleges should be opened as circumstances permit, but the great need now is the guiding hand of a man of high character and large educational experience as president of the university. The board of regents earnestly recommends that provisions be made whereby such a man may be secured.

Our high schools are beginning to graduate considerable numbers of pupils capable of entering any of the colleges. Large sums of money have heretofore been spent, both from the public treasury and from private purses, for the education of Filipinos either in the United States or in Europe. This money should be retained here, where students can be as well, if not indeed better, trained and where its expenditure will educate many rather than a few fortunate young men and women.

The board of regents recommends the amending of the organic act creating the university so as to add to the membership of the board the secretary of the interior and a justice of the supreme court. The scientific and research work of the government has heretofore been done under the secretary of the interior. Undoubtedly this work will eventually be taken over by the university, and it is highly desirable that the board of regents should avail itself of the knowledge and experience of the secretary of that department. It is almost the universal practice in the United States to include a member of the Supreme Court upon the board of the State universities. He not only adds dignity and character to the body, but his counsel and advice are of great value. It is hoped that the recommendations made by the board of regents will be put into effect by the Legislature.

BUREAU OF AGRICULTURE.

In order that closer relations might be established between the bureau of agriculture and the bureau of education, the executive control of the bureau of agriculture was by Act No. 1972 transferred

from the department of the interior to the department of public instruction. This transfer was effected on the 12th of last May, so that during the greater part of the time covered by this report the bureau of agriculture was still in the department of the interior.

During the year the efforts of the bureau have been concentrated chiefly upon the fight against animal disease, and at its close the situation showed no little improvement. Fifteen provinces and 204 municipalities were at one time or another during the year reported as having been freed from rinderpest. In many instances, however, the freedom lasted only a few days, the disease again making its appearance and, upon its extermination, the province or municipality being again reported clean. It will be seen, therefore, that these figures contain no few duplications. At the close of the year rinderpest was reported in 12 provinces and 25 municipalities, and unfortunately these are scattered throughout the Archipelago so that the infection is still widespread. The most serious outbreaks occurred in Batangas and Occidental Negros, and the most gratifying work of the year was done in the former province, where the disease now seems to have been almost entirely eradicated. If it were possible properly to quarantine this province there would be little likelihood of another serious outbreak. Conditions in Occidental Negros have also been much improved. With the increase in the price of sugar and the consequent cultivation of a large amount of land which had heretofore been lying fallow, large numbers of animals have been imported into this province and it is of great importance that rinderpest should not be permitted to get beyond our control there. During the year more than 10,000 animals were reported as suffering with rinderpest and almost 8,000 as having died. Some 63,000 inoculations of antirinderpest serum were made.

The veterinary corps has been increased. On July 1, 1909, 21 veterinarians were on duty. During the year 4 resigned and 1 visited the United States on leave, while 25 new appointees arrived and entered upon their duties, making an average of 39 veterinarians on duty throughout the year. In addition, 8 agricultural inspectors and 6 American and 56 Filipino inoculators were engaged in the work. It has been found difficult to secure skilled veterinarians; the salaries which we are able to pay are not sufficiently large to attract considerable numbers of these men in the United States, and unfortunately among the Filipinos there are no veterinarians. The College of Veterinary Science was opened this year with a view to training Filipinos for this work. The enrollment, however, is, as has been said, very small.

Ten thousand one hundred and forty-five liters of antirinderpest serum were produced during the year, a much larger amount than we obtained in any former year. The production for July, 1909, was 507 and for June, 1910, 1,417 liters. The serum herd was increased from 154 to 524. The percentage of serum obtained from fresh blood for the past four years is as follows: Twenty-two and seven-tenths per cent, 28.6 per cent, 38.38 per cent, 40.28 per cent—a steady increase which may be attributed to the experience of our laboratory workers and to improved methods and facilities in handling the product.

One of the chief difficulties in the way of the complete eradication of animal disease is the indifference, amounting at times to active

opposition, of people and officials to the work. I think the general temper is greatly improved, however, and the improvement will continue as the importance of the work and the sincerity of the government become more generally understood. Valuable assistance in this respect has been given by the Governor-General, who has, by suspension or removal from office awakened several apathetic officials to a full realization of their duty.

To the suppression of an outbreak of disease an effective quarantine is essential. In this work the municipal police have proved quite inefficient and, in so far as has been possible, they have been replaced by detachments from the constabulary. The services of the latter have been most satisfactory; but decreased appropriations for that organization have led to a reduction in its forces and we are unable to obtain these men in anything like sufficient numbers. If the bureau of agriculture is to do effective work in suppressing animal disease it must be able to call in the services of the constabulary to a far larger extent than has ever before been possible.

Prior to the first of last June there was no effective method by which the importation of diseased animals could be prevented; shipments containing such animals arrived continually, and in spite of the government's efforts disease was constantly brought into the islands. On that date, however, the bureau of agriculture's General Order No. 15 became effective. It may be said that although this order was issued after control of the bureau had passed to the department of public instruction, the secretary of the interior had some time before announced that it was to be issued, and its promulgation had his entire approval. This order is as follows:

In accordance with the provisions of a letter from the honorable the secretary of the interior to the director of agriculture, dated Baguio, April 25, 1910, and with the provisions of Act No. 1760 of the Philippine Commission, the following rules and regulations governing the importation of domestic animals into the Philippine Islands are hereby promulgated:

1. Whenever animals imported into the Philippine Islands from foreign ports upon arrival in any port are found to be suffering from, infected with, or exposed to any dangerous communicable animal disease, the landing of animals in such shipment will not be allowed, but they, with all the effects pertaining to them, must be removed from the Philippine Islands.

2. If animals imported into the Philippine Islands from any foreign port considered and declared by the director of agriculture to be infected with dangerous communicable animal disease arrive apparently free from such disease they will be permitted to land 10 days after their departure from the port of origin, provided no disease has appeared among them during this period. Permission will be given for the transfer of such animals from the vessel on which they arrive to lighters, cacos, or other suitable vessels, where they will be held until the above-mentioned 10 days shall have elapsed; or, if any such animal disease appears, until they have been free from disease for a period of 10 days, when they may be brought ashore.

3. Animals imported into the Philippine Islands from a noninfected port of any foreign country, in which country any animal disease is known to exist, may be landed immediately upon arrival if found free from dangerous communicable animal disease, and will be quarantined on shore until 10 days shall have elapsed from the date of embarkation.

4. Animals imported from foreign countries where rinderpest, surra, and foot-and-mouth disease do not exist may be landed immediately upon arrival, if found free from dangerous communicable animal disease, and will not be held in quarantine unless exposed to infection after arrival.

5. The provisions of this general order shall become effective on and after June 1, 1910, and shall supersede all portions of General Orders Numbered 13 and 14 in conflict therewith.

An order of this kind was not sooner issued because it was feared that the price of fresh meat in Manila would be greatly increased thereby—the greater part of the meat consumed here being imported on the hoof and slaughtered in the city matadero. However, this did not prove to be the case; shipments of Australian cattle began to come to the islands and the price of fresh meat in Manila dropped to a figure lower than it had been for many years. Unfortunately, after these shipments had for some time continued, a number of the animals were found to be infected with contagious pleuro-pneumonia, a disease which has not heretofore been known in the Philippines. Drastic measures were at once taken to prevent its spread, and it is hoped that the danger of its obtaining a foothold here has now passed. The quarantine station at Pandacan is not yet ready for occupancy. While the sheds themselves have practically been completed, considerable filling must be placed on the adjacent land before the corrals are opened, and at present cattle are quarantined in private corrals, not well suited to the purpose. The work upon the new station is therefore being pushed as rapidly as is possible. The city matadero is to be moved to one or two of these sheds, where it will be conducted until the permanent matadero is built at the station. An appropriation is now available for the construction of this matadero, and work upon it will be begun as soon as suitable plans can be obtained.

Surra is still widespread throughout the islands. This disease, though bad enough, does not work the economic havoc which rinderpest does, because it is confined almost entirely to horses, which are seldom used in the Philippines for tilling the fields. For this reason and because no satisfactory treatment has yet been found, less has been done with surra than with rinderpest.

Foot-and-mouth disease formerly existed extensively in the islands. It has now largely disappeared.

If sufficient funds are placed at the disposal of the bureau of agriculture it is believed that rinderpest may in time be absolutely driven from the islands. There should be an appropriation for the reimbursement of owners of animals found to be suffering with this disease, and the bureau of agriculture should be authorized immediately to kill and destroy all such animals and properly to reimburse the owners. As the law stands to-day, a sick animal can not be killed but must await the event of death or recovery, and during such time, by one means or another, the disease may be widely spread. Animal disease can only be abolished by drastic measures, among which may be mentioned, first, absolute nonimportation of disease; second, perfect quarantine of any animal supposed to have been infected; third, authority to destroy diseased animals; fourth, perfect cooperation on the part of provincial and municipal officials.

None of these conditions are impossible. On the contrary, all of them are readily obtainable. It requires money, vigilance, cooperation, and skill. Given these, the time may soon come when the agricultural depression caused by the loss of animals may be relieved.

FORAGE.

A factory for the manufacture of forage was practically completed at the beginning of the past fiscal year and has since been in continu-

ous operation. Various experiments have been tried in the hope of finding a mixture composed of native products but having practically the same chemical constituents as imported forage. These experiments have so far been only partially successful. Sample lots have been sent to the city stables and the army corrals for trial. Reports therefrom have been unfavorable, the stock apparently not finding the mixture palatable. Better results have been had on the bureau's farms. A determined effort, however, is being made to find a satisfactory substitute for imported forage. Practically all army stock, and a large proportion of that of the civil government, are now fed hay and oats, which must be imported at large expense from Australia and the United States.

On his recent visit to the islands, the Secretary of War was so impressed with the importance of this question that he appointed a board, composed of both army officers and civilians, to investigate thoroughly the question of growing here the forage needed by both the Army and the civil government. This board has entered upon its duties, but it will be some time before data can be collected and tests made which will enable it to report intelligently.

More success has attended our efforts at growing green food. The large number of cattle at Alabang has been fed almost entirely upon guinea grass and sorghum grown at that station. No economic method of curing these grasses has yet been found, but the bureau has been conducting various experiments in the hope that such a method may be devised. Due principally to climatic conditions, it seems that all curing must be by artificial means.

The principal forage expert of the Department of Agriculture in Washington is to spend some months in the Philippines assisting and advising the bureau of agriculture in its work. He is expected to arrive within the next few weeks.

LOCUSTS.

Of all the pests in the Philippines—and there are many, ranging from insects to rats and wild hogs—the one which has caused the most damage to the crops in recent years is the locust. Considerable progress has been made in freeing one or two provinces of this pest, but no general plan for ridding the entire islands of locusts has yet been put into effect. There was recently added to the personnel of the bureau of agriculture a trained entomologist, and it is planned to put him in direct charge of this work. I hope that next year we shall be able to report substantial progress.

I take this opportunity of congratulating the governor and other officials of the province of Iloilo for the noteworthy work which they have done toward the extermination of the plague of locusts in that province.

DIVISION OF PLANT INDUSTRY.

Plant investigation and experimental field work have been continued throughout the year. Details of this work and the results obtained will be found in the report of the director of agriculture. While the great importance of the work of this division is fully

realized by the department, it has of necessity been subordinated to the campaign against animal disease. It is hoped that as the disease situation improves, more attention can year by year be given to experimental field work and the scientific study of soil conditions and plant life in the Philippines.

AGRICULTURAL REVIEW.

The publication of the Philippine Agricultural Review has been continued. This review is a magazine published both in English and in Spanish and sent without charge to persons in the Philippines interested in agriculture. Its present circulation is about 6,000 copies a month. It is believed that this publication serves a useful purpose in keeping the farmers of the Philippines in touch with the bureau and with the thought and progress of the world in general.

The report of the director of agriculture shows in some detail the work of the bureau.

BUREAU OF SUPPLY.

During the latter part of June Maj. E. G. Shields, the insular purchasing agent, left the islands for a well-earned vacation. Mr. William T. Nolting, special agent of the Governor-General, was detailed to act as purchasing agent during Major Shields's absence, and assumed charge of the bureau on June 22.

On July 1, 1909, there was in stock merchandise to the value of ₱1,449,796.62; on June 30, 1910, merchandise to the value of ₱1,546,721.20; an increase for the year of ₱96,924.58. This increase was due to an unusual augmentation of the stocks of coal, forage, and steel, necessitated by the large amount of construction work at present in progress. Other stocks were decreased.

Purchases for the fiscal year amounted to ₱5,322,143.94, of which ₱3,317,481.80 were spent in the Philippine Islands, ₱1,842,909.43 in the United States, and ₱161,752.71 in foreign countries. The items chiefly purchased in the United States and foreign countries were structural iron and steel, technical instruments, various kinds of scientific equipment, law books, schoolbooks, and school supplies, drugs, supplies for the bureau of printing, special machinery, and miscellaneous hardware of a kind that can not be purchased here at a reasonable figure. The policy of encouraging local merchants by purchasing largely in the Philippine Islands has been continued, in spite of the fact that in nearly every case the cost is much greater than it would be if we imported directly. This additional price has been paid upon the theory that the community is benefited by the consequent stimulation of local trade and the inducement to local merchants to carry larger stocks than they otherwise would. It is not so easy, however, to see the application of this principle to merchants who do not carry stocks but who simply order the goods needed, as the government itself might do directly.

Some years ago an order was made which has led to a general understanding that local dealers would be allowed 10 per cent more for articles purchased through them than the same articles would

cost the government if purchased in the United States or foreign countries. I think a hard and fast rule of this sort very unfair. Merchants who carry miscellaneous stocks are entitled to greater consideration than are those who act merely as agents; and a more elastic arrangement should be put into effect whereby preference will be given those merchants who carry a large and varied assortment of goods. On some purchases 10 per cent is a small increase, on others it is unduly large, and results in the use of the public purse for private benefit.

The bureau of supply was organized in the early years of this government in order to concentrate all its buying under one responsible head. In this way large economies in administration were effected and the government was able to obtain better prices because it could make large contracts. The purchasing agent has also been able to collect data from various sources and can ascertain readily whether prices are reasonable or not.

The law authorizes the executive, in certain circumstances, to permit the making of purchases without reference to the bureau of supply, and at present the bureau of prisons, the bureau of health, the bureau of constabulary, the bureau of customs, and the bureau of coast and geodetic survey have authority to purchase directly certain supplies. It is earnestly recommended by this department that this authority be revoked, and these bureaus be required to make all purchases through the bureau of supply, as it is the clear intention of the law that they should. The latter bureau has the personnel and an organization competent to do the work, and it costs the government practically the same whether the bureau buys all or only the greater part of the supplies needed. The bureau of supply can buy more cheaply and more intelligently than can a bureau in which buying is but incidental to its real work. If it can not do so, it should be abolished; if it can, no general exceptions should be made.

DIVISION OF COLD STORAGE.

The net earnings of this division were ₱359,658.38, a slight increase over the fiscal year 1909.

Act No. 315 provides that the ice plant shall "not engage in competition with private individuals or corporations in providing cold storage, ice, or distilled water," and under the interpretation heretofore made of this law the price of ice in the islands has been kept exorbitantly high. Several private establishments in Manila furnish ice, cold storage, and distilled water, although in nothing like sufficient quantities to supply the demand; and it seems to have been understood that the division of cold storage must fix its prices higher than theirs, regardless of what theirs were. Otherwise it would be entering into competition.

The undersigned differently interprets this provision. I think the law means that the division of cold storage must not sell its product so cheaply that private parties can not manufacture and sell theirs, with a reasonable profit upon their investment, at the same, or a somewhat lower price. It hardly seems that it was intended that the government should aid private owners in exacting from the people unreasonable prices for these necessary commodities. Therefore, the

price of ice at the government ice plant was recently reduced, the scale of prices being lowered to practically 75 per cent of what it had formerly been. At these prices the division of cold storage continues to show a large profit; and there is no question that a privately organized business could sell its product at smaller figures and still show a handsome profit upon a fair capitalization.

This plant was erected at a time when ice and distilled water were of vital consequence and could not be obtained in adequate quantities in the islands. It has since, through the compulsion of necessity, been operated by the government. The manufacture and sale of ice and distilled water is, however, in ordinary circumstances not a proper governmental function, and carries paternalism to an extent which can scarcely be justified now, even in a government so largely paternal as ours of necessity is. This department believes that the time has come when, if a proper price can be obtained for the plant, it should be disposed of to private parties, the government retaining, upon the principle under which it regulates other public-service corporations, the right to control the sanitation of the plant and the prices of its output. There is no question but that if this plant were sold to a private individual or corporation at a fair valuation, it could be so organized and operated that the price of ice and distilled water in Manila would be considerably lowered. More people would thereby be able to avail themselves of these two articles which are so important in the Tropics, while the question of government competition would at the same time be eliminated.

BUREAU OF PRISONS.

On the 10th of last June Mr. George N. Wolfe, who had for a number of years served as director of prisons, presented his resignation to take effect on July 1, 1910, in order that he might be free to accept a more advantageous position in the United States. Mr. Mortimer L. Stewart, the assistant director, was promoted to the directorship, and Mr. L. A. Dorrington, of the industrial division, was made assistant director.

On June 30, 1909, there were 6,121 insular and provincial prisoners; on June 30, 1910, 6,546. This increase was due largely to convictions for violations of the opium law, 1,177 persons having been convicted and 975 discharged during the year, under the provisions of this law. The practice of utilizing elsewhere the services of such prisoners as are not needed at Bilibid has been continued. Approximately 1,000 have been loaned to the Army for use at Corregidor, and almost as many have been sent to the Iwahig penal colony. Small detachments have also been from time to time transferred to other stations where there was important public work to be done.

On June 30 last, there were 2,657 prisoners in Bilibid, the changes during the year having been as follows:

On hand June 30, 1909.....	2,783
Received by commitment.....	3,882
Received by capture.....	8
Received by transfer from other stations.....	1,104

Total 7,777

Released by expiration of sentence.....	2,564
Released on bond.....	182
Released by order of the court.....	25
Cases dismissed.....	73
Released by payment of fine.....	123
Released by satisfaction of fine and sentence.....	25
Pardoned conditionally.....	165
Pardoned unconditionally.....	31
Deported.....	73
Executed.....	19
Paroled.....	1
Died.....	124
Escaped.....	3
Transferred to other stations.....	1,712
Total.....	5,120
On hand June 30, 1910.....	2,657

MAINTENANCE.

The gross cost of maintaining each prisoner was for the year ₱132.57, or an average daily cost of ₱0.3632. This cost is made up of the following items: Salaries and wages of officials and employees except those in the industrial division, subsistence, office and prisoners' supplies, burial expenses, maintenance of hospitals, gratuities, transportation to their homes of discharged prisoners, and general repairs and improvements. The figures include Bilibid Prison, the Iwahig penal colony, and the cost to the bureau of prisoners maintained elsewhere than in Bilibid. The daily gross cost for each prisoner at Bilibid was ₱0.3612; at Iwahig penal colony, ₱0.373. The daily net cost was, at Bilibid, ₱0.3305; at Iwahig, ₱0.3552. This shows a slight increase for maintenance at Bilibid and a decrease of 29 per cent at Iwahig.

EDUCATIONAL WORK.

In 1909 a school for prisoners was opened in Bilibid Prison. At the close of last year 1,615 prisoners were receiving instruction therein. The enrollment in the several classes was as follows:

Second Reader.....	49	Advanced Chart.....	335
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During the year 530 prisoner students were, by examination, promoted to the next higher grade, which seems to indicate satisfactory progress, since the school has been in operation only a year and a half and each class receives but one hour of instruction a day.

IMPROVEMENTS.

One new reinforced-concrete pavilion was completed and another partially so during the year. It is planned to erect two such pavilions each year until the old ones have been entirely replaced. The guards' quarters and clubrooms have been enlarged, the director's office moved downstairs, where it is more accessible and spacious, and several other minor improvements completed.

INDUSTRIAL DIVISION.

There was no change in the headship of the industrial division with the promotion of Mr. Stewart. It will be continued as heretofore under his direct supervision. The production of this division during the year amounted to ₱352,863.79 at a cost of ₱292,951.79, which shows a net profit from operation of almost ₱60,000. The percentage of profit is larger than it has been in any previous year and is perhaps accounted for by the fact that the cost of superintendence and instruction was reduced some 26 per cent.

IWAHIG PENAL COLONY.

The penal colony has been considerably enlarged during the past year. At its close the population was 973 colonists—34 of whom had their wives with them—34 children, 5 officials, and 9 employees. The colony is located upon a reservation of 360 square miles on the island of Palawan, near Puerta Princesa, the capital of the Province of Palawan. Much of it is rough, mountainous country, cut by rivers and overgrown with jungle. No firearms are permitted on the reservation, nor are there guards, jails, or prisons, yet peace and order are maintained as satisfactorily as in any ordinary community. Two dormitories were erected during the past year. These buildings are, respectively, 150 and 300 feet long. Permanent shops and a sawmill are also being erected.

Under the management of Mr. C. H. Lamb the colony has made great progress. The convicts—more than 80 per cent of whom were convicted of such crimes as brigandage, homicide, robbery, and murder—are controlled by only 5 Americans and 8 Filipinos. With one exception the Filipinos are ex-colonists.

I think that beyond question the colony can and should be made self-supporting. As has been stated, the cost of maintenance has been considerably reduced during the past year, although the labor of the colony has been employed largely in construction work which of necessity preceded agricultural development. During the present year a much larger proportion of the labor will be used in revenue-producing work on the farm and in the shops.

The colony is still without means of telegraphic communication, and I wish again to call attention to the urgent need for its establishment.

PROPOSED LAW.

In the last annual report of this department an earnest recommendation was made for the enactment of a law dealing with habitual criminals. There has since been no regular session of the Legislature, but it is proposed to introduce a bill upon this subject at the coming session, and I earnestly recommend its passage. It is little less than ridiculous to have a large number of prisoners repeatedly serving short sentences in Bilibid for comparatively small offenses. These men are no sooner released than they again commit thefts or similar crimes. Not only do they endanger the peace and good order of the community, but it costs no little money to apprehend and con-

vict them time and time again. My last annual report contained statistics showing the number of prisoners who were serving repeated sentences. It appeared that one man had been convicted 32 times. On June 30, 1910, there were:

- 30 prisoners serving their third sentence.
- 11 prisoners serving their fourth sentence.
- 7 prisoners serving their fifth sentence.
- 2 prisoners serving their sixth sentence.
- 3 prisoners serving their seventh sentence.
- 6 prisoners serving their eighth sentence.
- 3 prisoners serving their ninth sentence.
- 1 prisoner serving his tenth sentence.
- 3 prisoners serving their eleventh sentence.
- 1 prisoner serving his twelfth sentence.
- 2 prisoners serving their thirteenth sentence.
- 1 prisoner serving his fourteenth sentence.

There is no reason why this condition should continue. The majority of these prisoners are inhabitants of Manila. They are petty thieves who annoy its citizens and necessitate a larger police force than would otherwise be required. We should by the enactment of law treat the habitual criminal as an enemy to society who should not be permitted longer to prey upon it.

Details of the operation of the bureau of prisons are contained in the report of its director, and the voluminous report of the superintendent of the Iwahig penal colony.

BUREAU OF PRINTING.

The bureau of printing increased its output. The total receipts were ₱576,707.30, as compared with ₱525,143.91 for the fiscal year 1909. The cost of the equipment and supplies on hand at the end of the year amounted to ₱733,034.42. In addition there were for sale public documents and publications the selling price of which aggregated ₱193,220.48. Public documents to the value of ₱34,255.07 were sold and credit given the bureaus for which they had been printed.

On June 30 last there were employed in the bureau of printing 317 Filipinos, 27 Americans, 2 East Indians, and 1 Chinaman, making a total of 347 persons. The bureau is operated to a considerable extent as a practical school in which several different trades are taught. Seven hours constitute a day's labor, the wages are sufficient, and sanitary conditions are in keeping with the best modern practice. In addition, apprentices are required to attend public night school, thus acquiring a common-school education and a knowledge of English. Many of the employees are depositors in the Postal Savings Bank, and in general the training is such as to implant habits of labor in the employees and to turn out useful and self-supporting citizens. At present more than 91 per cent of the persons employed in the bureau are Filipinos, and it is hoped that eventually they will be able to qualify as assistants to the foreman, and ultimately succeed to the positions in which Americans are now employed. The youth of the islands has shown itself adapted to the class of work done in this bureau.

The volume of printing and binding required by the government has increased so rapidly that the present building is inadequate for the needs of the bureau, and it will soon be necessary to make provisions for its enlargement. The building, however, is in bad condition, and perhaps it will not prove economical to make extensive repairs. I recently requested the bureau of public works to make a thorough examination of it for the purpose of determining whether it was sufficiently strong to stand the strain now placed upon it.

The report of the director of printing explains in detail the financial condition of the bureau.

Very respectfully,

NEWTON W. GILBERT,
Secretary of Public Instruction.

To the PHILIPPINE COMMISSION.

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